

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

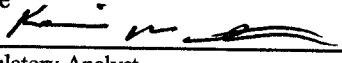
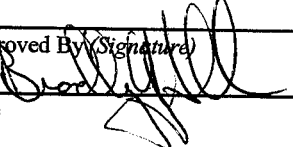
FORM APPROVED
OMB NO. 1004-0137
Expires: July 31, 2010

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-025187	
1b. Type of Well: <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A	
2. Name of Operator Kerr-McGee Oil & Gas Onshore, LP		7. If Unit or CA Agreement, Name and No. 891008900A	
3a. Address P.O. Box 173779 Denver, CO 80217-3779		8. Lease Name and Well No. NBU 1022-10HT	
3b. Phone No. (include area code) 720.929.6226		9. API Well No. 43-047-40195	
4. Location of well (Report location clearly and in accordance with any State requirements. *) At surface 1798 635199X 39.965724 Lat. 39.96581 Long. -109.41702 FNL 297 FEL SE NE Lat. 44249434 -109.416999 At proposed prod. zone N/A NAD 27		10. Field and Pool, or Exploratory Natural Buttes Field	
11. Sec., T., R., M., or Blk. and Survey or Area Sec 10 T 10S R 22E		12. Cou State Utah	
14. Distance in miles and direction from the nearest town or post office* 28.5 miles east of Ouray, Utah		15. Distance from proposed* location to nearest property or lease line, ft. 297'	
16. No. of acres in lease 600		17. Spacing Unit dedicated to this well 40	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 30'		19. Proposed Depth 8200'	
20. BLM/ BIA Bond No. on file WYB000291		21. Elevations (Show whether DF, RT, GR, etc.) 4,791' GR	
22. Aproximate date work will start* Upon Approval		Esti mat JUN 27 2008	
24. Attachments		10 days DIV. OF OIL, GAS & MINING	

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1 shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Land SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by existing bond on file (see item 20 above).
- Operator certification.
- Such other site specific information and/ or plans as may be required by authorized officer.

25. Signature 	Name (Printed/ Typed) Kevin McIntyre
Title Regulatory Analyst	
Approved By (Signature) 	Name (Printed/ Typed) BRADLEY G. HILL
Title Office ENVIRONMENTAL MANAGER	07-16-08

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

Federal Approval of this
Action is Necessary

*(Instructions on page 2)

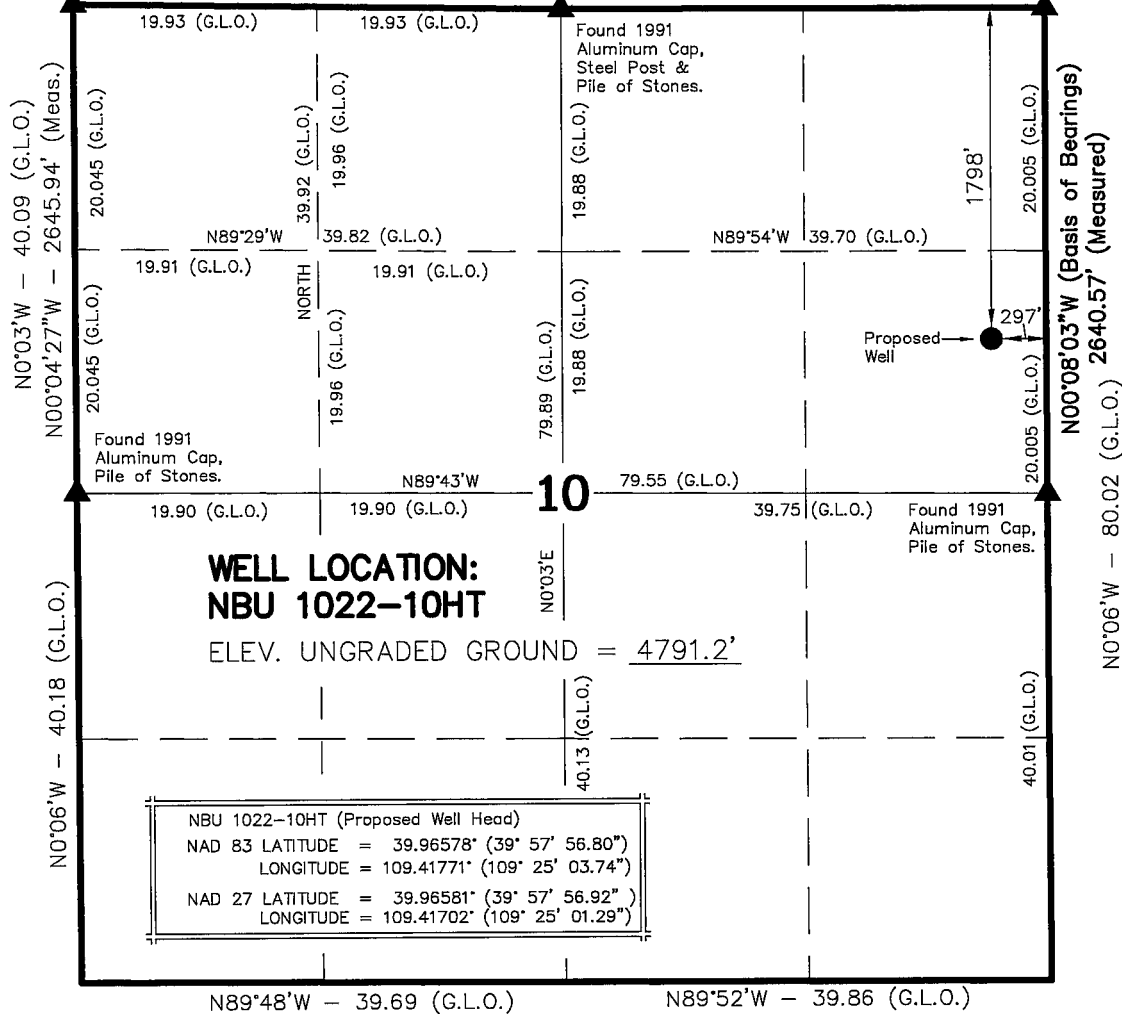
T10S, R22E, S.L.B.&M.

Found 1991
Aluminum Cap,
Pile of Stones.

N89°15'W 39.86 (G.L.O.)
N89°16'38"W - 2630.43' (Meas.)

S89°55'W 39.65 (G.L.O.)
S89°53'55"W - 2616.59' (Meas.)

Found 1991
Aluminum Cap,
Steel Post &
Pile of Stones.



NOTES:

- ▲ = Section Corners Located
- 1. Well footages are measured at right angles to the Section Lines.
- 2. G.L.O. distances are shown in feet or chains. 1 chain = 66 feet.
- 3. Bearings are based on Global Positioning Satellite observations.
- 4. Basis of elevation is Tri-Sta "Two Water" located in the NW ¼ of Section 1, T10S, R21E, S.L.B.&M. The elevation of this Tri-Sta is shown on the Big Pack Mtn NE 7.5 Min. Quadrangle as being 5238'.

Kerr-McGee
Oil & Gas Onshore, LP
1099 18th Street, Suite 1200 - Denver, Colorado 80202

NBU 1022-10HT
WELL PLAT
1798' FNL, 297' FEL
SE ¼ NE ¼ OF SECTION 10, T10S, R22E,
S.L.B.&M. UINTAH COUNTY, UTAH.

CONSULTING, LLC
371 Coffeen Avenue
Sheridan WY 82801
Phone 307-674-0609
Fax 307-674-0182



SURVEYOR'S CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION No. 362251
STATE OF UTAH

TIMBERLINE (435) 789-1365
ENGINEERING & LAND SURVEYING, INC.
38 WEST 100 NORTH - VERNAL, UTAH 84078

DATE SURVEYED: 06-03-08	SURVEYED BY: M.S.B.	SHEET 2 OF 7
DATE DRAWN: 06-04-08	DRAWN BY: M.W.W.	
SCALE: 1" = 1000'	Date Last Revised:	

**NBU 1022-10HT
SENE Sec. 10, T10S,R22E
UINTAH COUNTY, UTAH
UTU-025187**

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	690'
Bird's Nest	1036'
Mahogany	1520'
Wasatch	3821'
Mesaverde	6102'
MVU2	7113'
MVL1	7675'
TD	8200'

2. Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
	Green River	690'
	Bird's Nest	1036'
	Mahogany	1520'
Gas	Wasatch	3821'
Gas	Mesaverde	6102'
Gas	MVU2	7113'
Gas	MVL1	7675'
Water	N/A	
Other Minerals	N/A	

3. Pressure Control Equipment (Schematic Attached)

Please see the Natural Buttes Unit Standard Operating Procedure (SOP).

4. Proposed Casing & Cementing Program:

Please see the Natural Buttes Unit SOP.

5. Drilling Fluids Program:

Please see the Natural Buttes Unit SOP.

6. Evaluation Program:

Please see the Natural Buttes Unit SOP.

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 8200' TD, approximately equals 5084 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3280 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

Drilling is planned to commence immediately upon approval of this application.

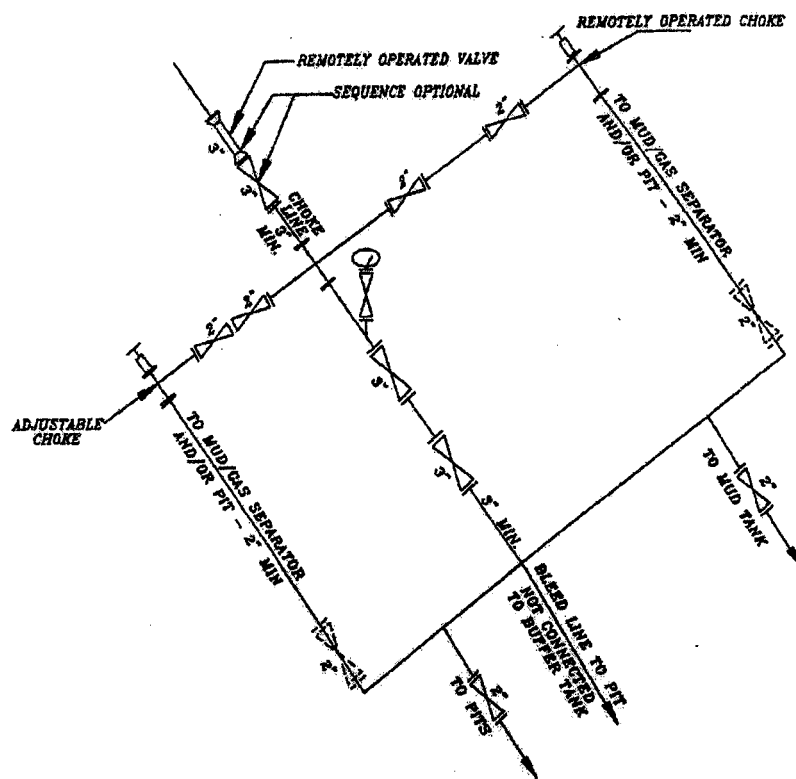
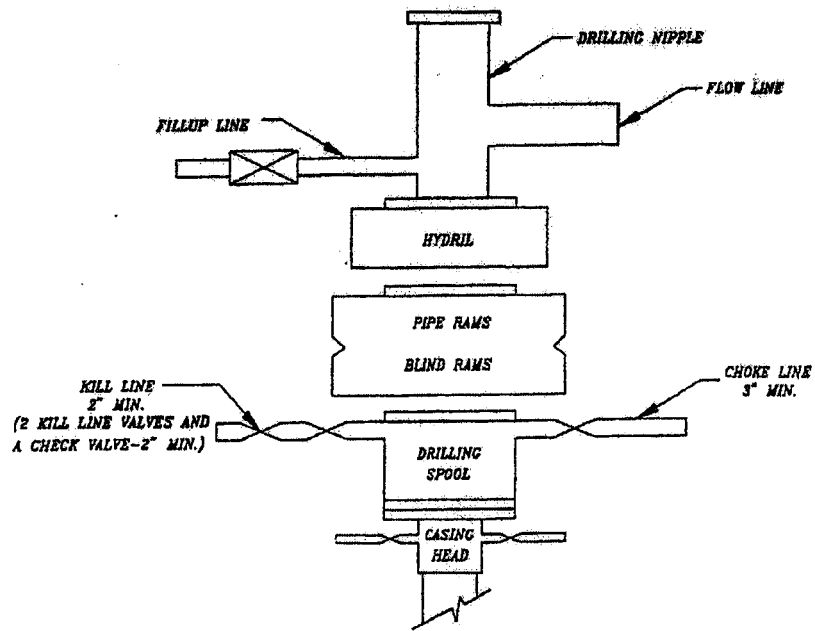
9. **Variances:**

Please see Natural Buttes Unit SOP. Please see Kerr McGee's sundry regarding variance request to Onshore Order #2 regarding Air drilling for surface casing.

10. **Other Information:**

Please see Natural Buttes Unit SOP.

EXHIBIT A



SCHEMATIC DIAGRAM OF 5,000 PSI BOP STACK

**NBU 1022-10HT
SENE Sec. 10 ,T10S,R22E
UINTAH COUNTY, UTAH
UTU-025187**

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Refer to the attached location directions.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

2. Planned Access Roads:

No new access road is planned, as this is a twin location. Refer to Topo Map B.

Existence of pipelines; maximum grade; turnouts; major cut and fills, culverts, or bridges; gates, cattle guards, fence cuts, or modifications to existing facilities were determined at the on-site.

Please see the Natural Buttes Unit Standard Operating Procedure (SOP).

3. Location of Existing Wells Within a 1-Mile Radius:

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities:

No new pipeline, as we will be utilizing the existing NBU #293 pipeline. No TOPO D attached.

Please see the Natural Buttes Unit SOP.

Variances to Best Management Practices (BMPs) Requested:

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The requested color is Carlsbad Canyon Brown (2.5Y 6/2), a non-reflective earthtone.

Interim Surface Reclamation Plan:

This exception is requested due to the current twin and multi-well program. If determined that this well will not be a candidate for either twinning &/or multi-well the operator shall spread the topsoil pile on the location up to the rig anchor points. The location will be reshaped to the

original contour to the extent possible. The operator will reseed the area using the BLM recommended seed mixture and reclamation methods.

5. **Location and Type of Water Supply:**

Please see the Natural Buttes SOP.

6. **Source of Construction Materials:**

Please see the Natural Buttes SOP.

7. **Methods of Handling Waste Materials:**

Please see the Natural Buttes SOP.

A plastic reinforced liner is to be used as discussed during on-site inspection. It will be a minimum of 20 mil thick and felt, with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the liner will be disposed of in the pit.

Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to one of the pre-approved disposal sites: RNI, Sec. 5, T9S, R22E, NBU #159, Sec. 35, T9S R21E, Ace Oilfield, Sec. 2, T6S, R20E, MC&MC, Sec. 12, T6S, R19E, Pipeline Facility Sec. 36, T9S, R20E, Goat Pasture Evaporation Pond SW/4 Sec. 16, T10S, R22E, Bonanza Evaporation Pond Sec. 2, T10S, R23E (*Request is in lieu of filing Form 3160-5, after initial production*).

8. **Ancillary Facilities:**

Please see the Natural Buttes SOP.

9. **Well Site Layout:** (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

Location size may change prior to the drilling of the well due to the current rig availability. If the proposed location is not large enough to accommodate the drilling rig. The location will be re-surveyed and a form 3160-5 will be submitted.

10. Plans for Reclamation of the Surface:

Please see the Natural Buttes SOP.

upon reclamation of the pit the following seed mixture will be used. A total of 12 lbs/acre will be used if the seeds are drilled (24 lbs/acre if the seeds are broadcast). The per acre requirements for ***drilled*** seed are:

Crested Wheatgrass 12 lbs.

Operator shall call the BLM for the seed mixture when final reclamation occurs.

11. Surface/Mineral Ownership:

The well pad, access road, pipeline and mineral ownership are listed below:

United States of America
Bureau of Land Management
170 South 500 East
Vernal, UT 84078
(435)781-4400

12. Stipulations**Wildlife Stipulations:**

- Antelope Stipulations:
No construction from May 15 through June 20.

Critical Soils Stipulations:

No construction when wet.

13. Other Information:

A Class III archaeological survey and a paleontological survey have been performed and will be submitted.

This location is not within 460' from the boundary of the Natural Buttes Unit, nor is it within 460' of any non-committed tract lying within the boundaries of the Unit.

14. Lessee's or Operator's Representative & Certification:

Kevin McIntyre
Regulatory Analyst
Kerr-McGee Oil & Gas Onshore LP
P.O. Box 173779
Denver, CO 80217-3779
(720) 929-6226

Randy Bayne
Drilling Manager
Kerr-McGee Oil & Gas Onshore LP
1368 South 1200 East
Vernal, UT 84078
(435) 781-7018


Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

Kerr-McGee Oil & Gas Onshore LP is considered to be the operator of the subject well. Kerr-McGee Oil & Gas Onshore LP agrees to be responsible under the terms and conditions of the lease for the operations conducted upon leased lands.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by BLM Nationwide Bond #WYB000291.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.


Kevin McIntyre

6/24/2008
Date



KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

COMPANY NAME KERR-McGEE OIL & GAS ONSHORE LP DATE June 24, 2008
 WELL NAME NBU 1022-10HT TD 8,200' MD/TVD
 FIELD Natural Buttes COUNTY Uintah STATE Utah ELEVATION 4,791' GL KB 4,806'
 SURFACE LOCATION SENE 1798' FNL & 297' FEL, SEC. 10, T10S, R22E BHL Straight Hole
 Latitude: 39.965810 Longitude: -109.417020 NAD 27
 OBJECTIVE ZONE(S) Wasatch/Mesaverde
 ADDITIONAL INFO Regulatory Agencies: BLM (SURF & MINERALS), UDOGM, Tri-County Health Dept.

GEOLOGICAL FORMATION		MECHANICAL	
LOGS	TOPS	HOLE SIZE	CASING SIZE
	DEPTH		MUD WEIGHT
	40'		14"
		12-1/4"	9-5/8", 36#, J-55, LTC
			Air mist
Catch water sample, if possible, from 0 to 3,821'			
	Green River @ 0,690'		
	Top of Birds Nest Water @ 1036'		
	Mahogany @ 1,520'		
	Preset f/ GL @ 1,700' MD		
Note: 12.25" surface hole will usually be drilled ±400' below the bottom of lost circulation zone. Drilled depth may be ±200' of the estimated set depth depending on the actual depth of the loss zone.			
Mud logging program TBD			
Open hole logging program f/ TD - surf csg			
	Wasatch @ 3,821'	7-7/8"	4-1/2", 11.6#, I-80 or equivalent LTC casing
	Mverde @ 6,102'		Water/Fresh Water Mud 8.3-10.0 ppg
	MVU2 @ 7,113'		
	MVL1 @ 7,675'		
	TD @ 8,200'		Max anticipated Mud required 11.5 ppg



DRILLING PROGRAM
CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'						
SURFACE	9-5/8"	0 to 1700	36.00	J-55	LTC	3520 1.14	2020 2.54	453000 9.42
PRODUCTION	4-1/2"	0 to 8200	11.60	I-80	LTC	7780 2.51	6350 1.29	201000 2.42

- 1) Max Anticipated Surf. Press.(MASP) (Surface Casing) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac gradient x TVD of next csg point)
 2) MASP (Prod Casing) = Pore Pressure at TD - (.22 psi/ft-partial evac gradient x TD)
 (Burst Assumptions: TD = 11.5 ppg) .22 psi/ft = gradient for partially evac wellbore
 (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)
 MASP 3280 psi

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE Option 1	LEAD	500	Premium cmt + 2% CaCl + .25 pps flocele	215	60%	15.60	1.18
	TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele	50		15.60	1.18
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
SURFACE Option 2	NOTE: If well will circulate water to surface, option 2 will be utilized						
	LEAD	1500	Prem cmt + 16% Gel + 10 pps gilsonite + 25 pps Flocele + 3% salt BWOC	170	35%	11.00	3.82
	TAIL	500	Premium cmt + 2% CaCl + .25 pps flocele	180	35%	15.60	1.18
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	3,320'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	360	60%	11.00	3.38
	TAIL	4,880'	50/50 Poz/G + 10% salt + 2% gel + .1% R-3	1370	60%	14.30	1.31

*Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained

*Substitute caliper hole volume plus 10% excess for TAIL if accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers.

ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 5M with one annular and 2 rams. Test to 5,000 psi (annular to 2,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.

Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.

Most rigs have PVT Systems for mud monitoring. If no PVT is available, visual monitoring will be utilized.

DRILLING ENGINEER:

Brad Laney

DATE: _____

DRILLING SUPERINTENDENT:

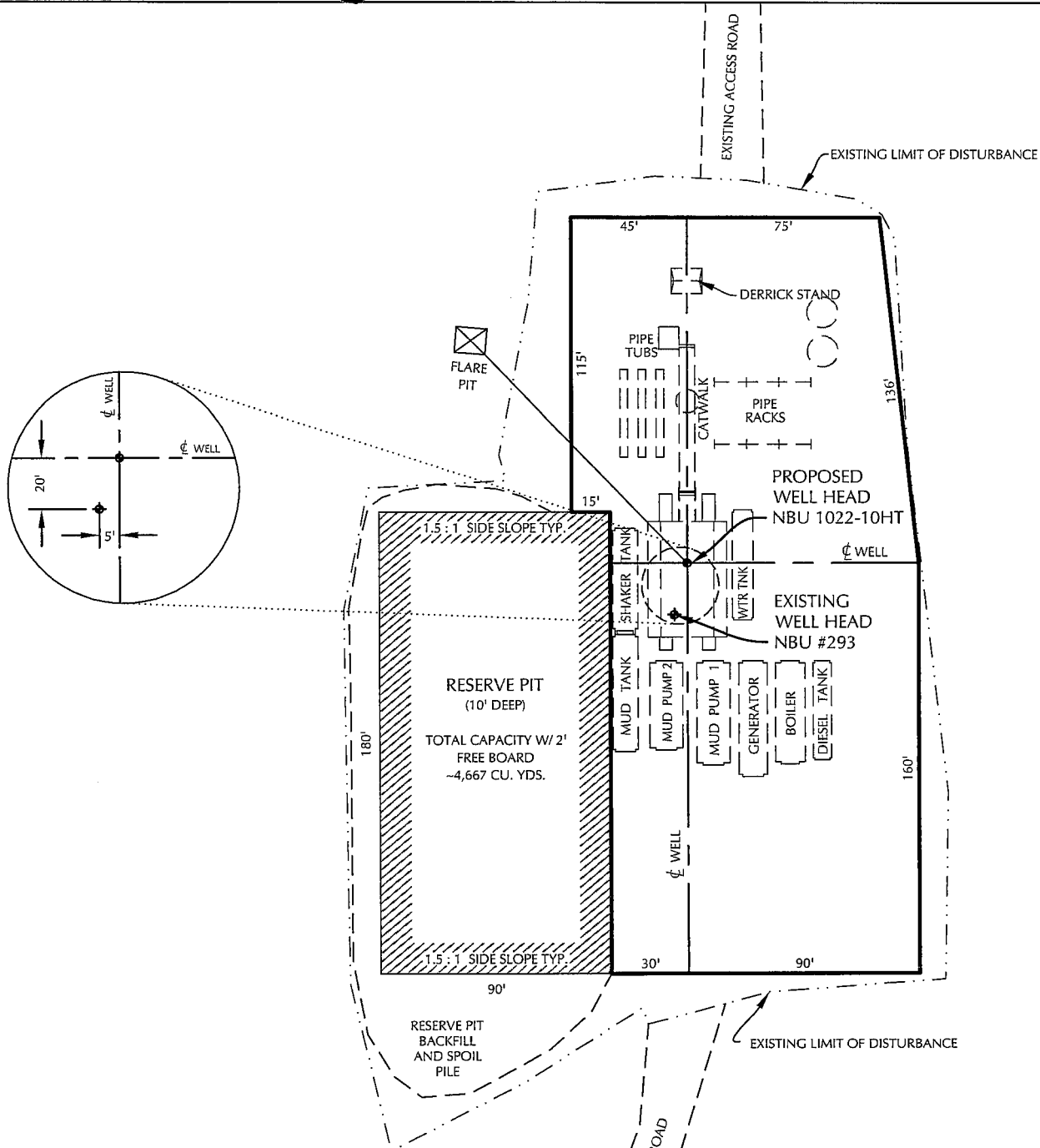
Randy Bayne NBU 1022-10HT.xls

DATE: _____

**Kerr-McGee Oil & Gas Onshore, LP
NBU #1022-10HT
SECTION 10, T10S, R22E, S.L.B.&M.**

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH, ALONG U.S. HIGHWAY 40 APPROXIMATELY 13.2 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 16.5 MILES TO OURAY, UTAH; PROCEED FROM OURAY, UTAH, IN A SOUTHERLY DIRECTION ON STATE HIGHWAY 88 APPROXIMATELY 9.4 MILES TO THE JUNCTION OF STATE HIGHWAY 88 AND SEEP RIDGE ROAD; EXIT LEFT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 1.7 MILES TO THE JUNCTION OF THIS ROAD AND GLEN BENCH ROAD; EXIT LEFT AND PROCEED IN AN EASTERLY DIRECTION FOR APPROXIMATELY 5.1 MILES TO THE JUNCTION OF THIS ROAD AND BITTER CREEK ROAD; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION, GRADUALLY CHANGING TO EASTERLY FOR APPROXIMATELY 9.4 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN LEFT AND PROCEED IN A NORTHERLY DIRECTION APPROXIMATELY 2.9 MILES TO THE JUNCTION OF THIS ROAD AND THE PROPOSED NBU 1022-10HT WELL LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH, TO THE PROPOSED NBU 1022-10HT WELL LOCATION IS APPROXIMATELY 58.2 MILES.



NOTES:

1. FLARE PIT IS TO BE LOCATED A MIN. OF 100' FROM THE WELL HEAD
2. ELEVATION BASED ON TRI-STA "TWO WATERS" LOCATED IN THE NW1/4 OF SEC. 1, T.10S., R.21E., S.L.B. & M. (THE ELEVATION OF THIS TRI-STA IS SHOWN ON THE BIG PACK MTN. NE 7.5 MIN. QUADRANGLE AS BEING 5,238')
3. NBU 1022-10HT EXISTING GROUND ELEVATION = 4,791.2'

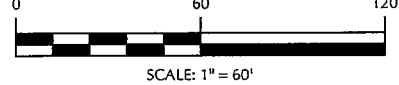
**KERR-MCGEE OIL & GAS
ONSHORE, LP**

1099 18th Street, Suite 1200 - Denver, Colorado 80202

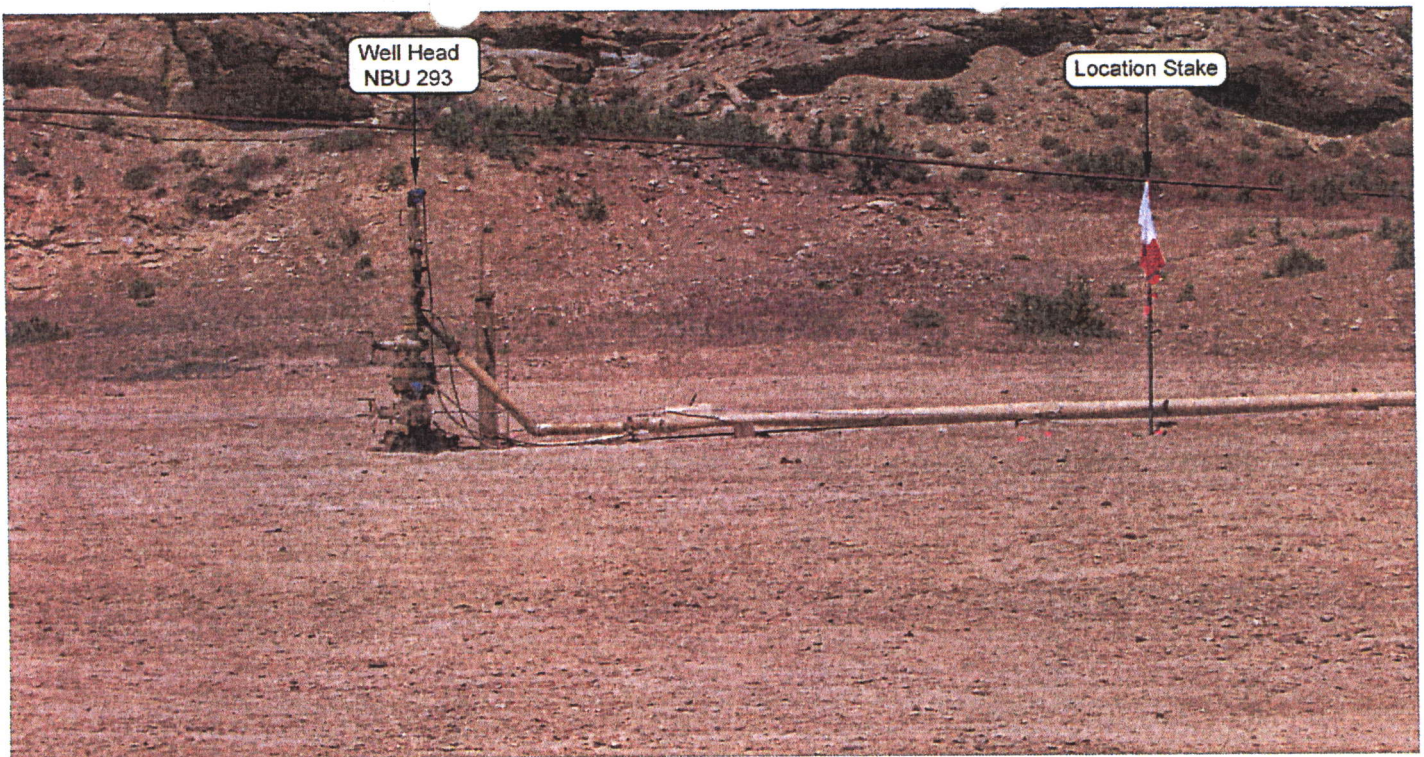
**NBU 1022-10HT
LOCATION LAYOUT
1,798' FNL - 297' FEL
SE1/4NE1/4, SEC. 10, T.10S., R.22E.
S.L.B. & M., UTAH COUNTY, UTAH**



CONSULTING, LLC
371 Coffeen Avenue
Sheridan WY 82801
Phone 307-674-0609
Fax 307-674-0182



Scale: 1"=60'	Date: 6/10/08	SHEET NO:
REVISED:	BY DATE	3 3 OF 7



Well Head
NBU 293

Location Stake

PHOTO VIEW: LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



Existing Access Road

PHOTO VIEW: EXISTING ROAD

CAMERA ANGLE: NORTHEASTERLY

**Kerr-McGee
Oil & Gas Onshore, LP**

1099 18th Street, Suite 1200 - Denver, Colorado 80202

NBU 1022-10HT
1798' FNL, 297' FEL
SE $\frac{1}{4}$ NE $\frac{1}{4}$ OF SECTION 10, T10S, R22E,
S.L.B.&M. UINTAH COUNTY, UTAH.



CONSULTING, LLC
371 Coffeen Avenue
Sheridan WY 82801
Phone 307-674-0609
Fax 307-674-0182

LOCATION PHOTOS

DATE TAKEN: 06-03-08

DATE DRAWN: 06-04-08

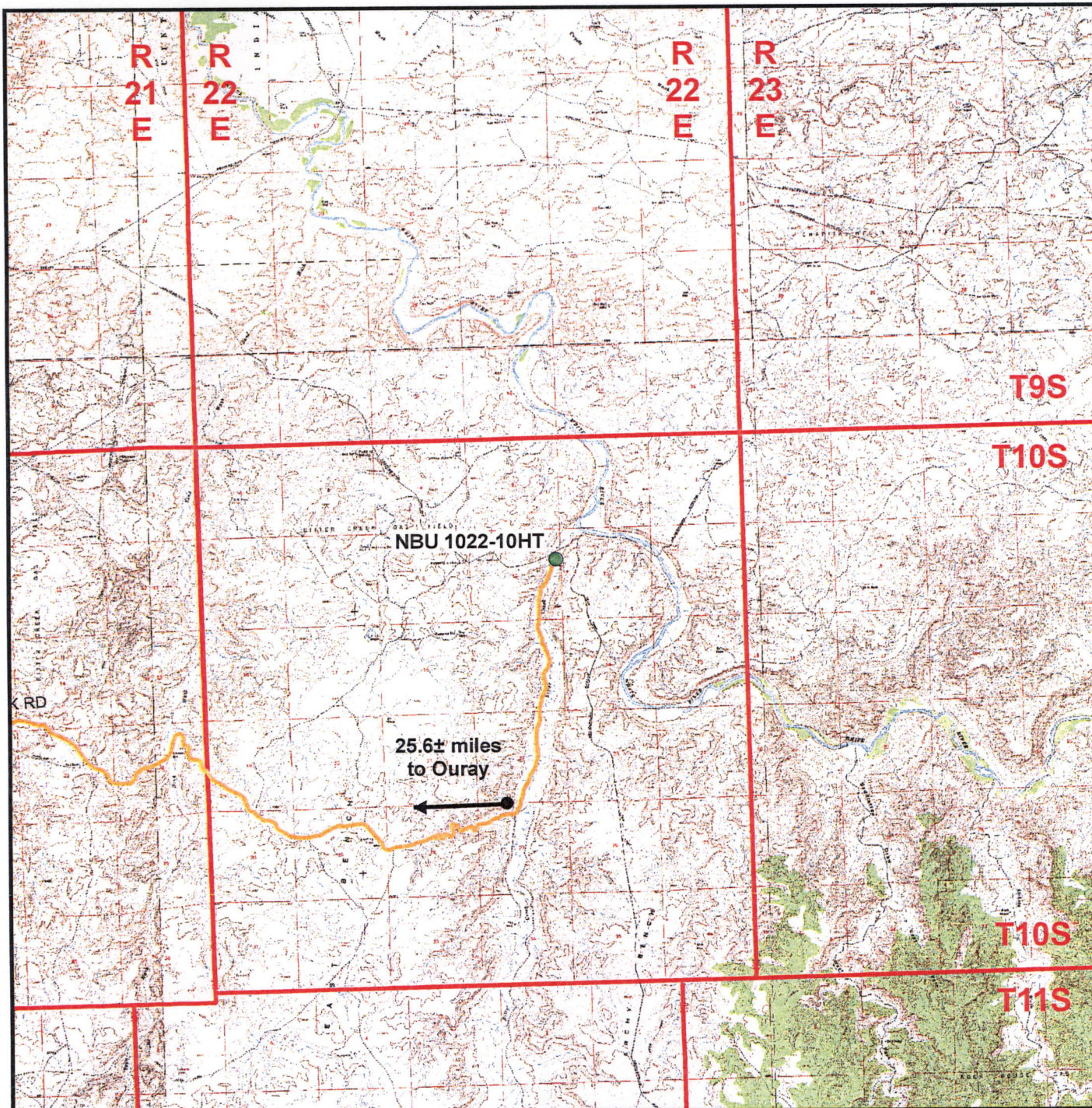
TAKEN BY: M.S.B.

DRAWN BY: M.W.W.

REVISED:

Timberline (435) 789-1365
Engineering & Land Surveying, Inc.
38 WEST 100 NORTH VERNAL, UTAH 84078

SHEET
4
OF 7



Legend

● Proposed NBU 1022-10HT Well Location

— Existing Access Roads

Kerr-McGee Oil & Gas Onshore, LP
1099 18th Street, Suite 1200 - Denver, Colorado 80202

NBU 1022-10HT
Topo A
1798' FNL, 297' FEL
SE¼ NE¼, Section 10, T10S, R22E
S.L.B.&M., Uintah County, Utah


CONSULTING, LLC
371 Coffeen Avenue
Sheridan, WY 82801
Phone (307) 673-0036
Fax (307) 674-0182

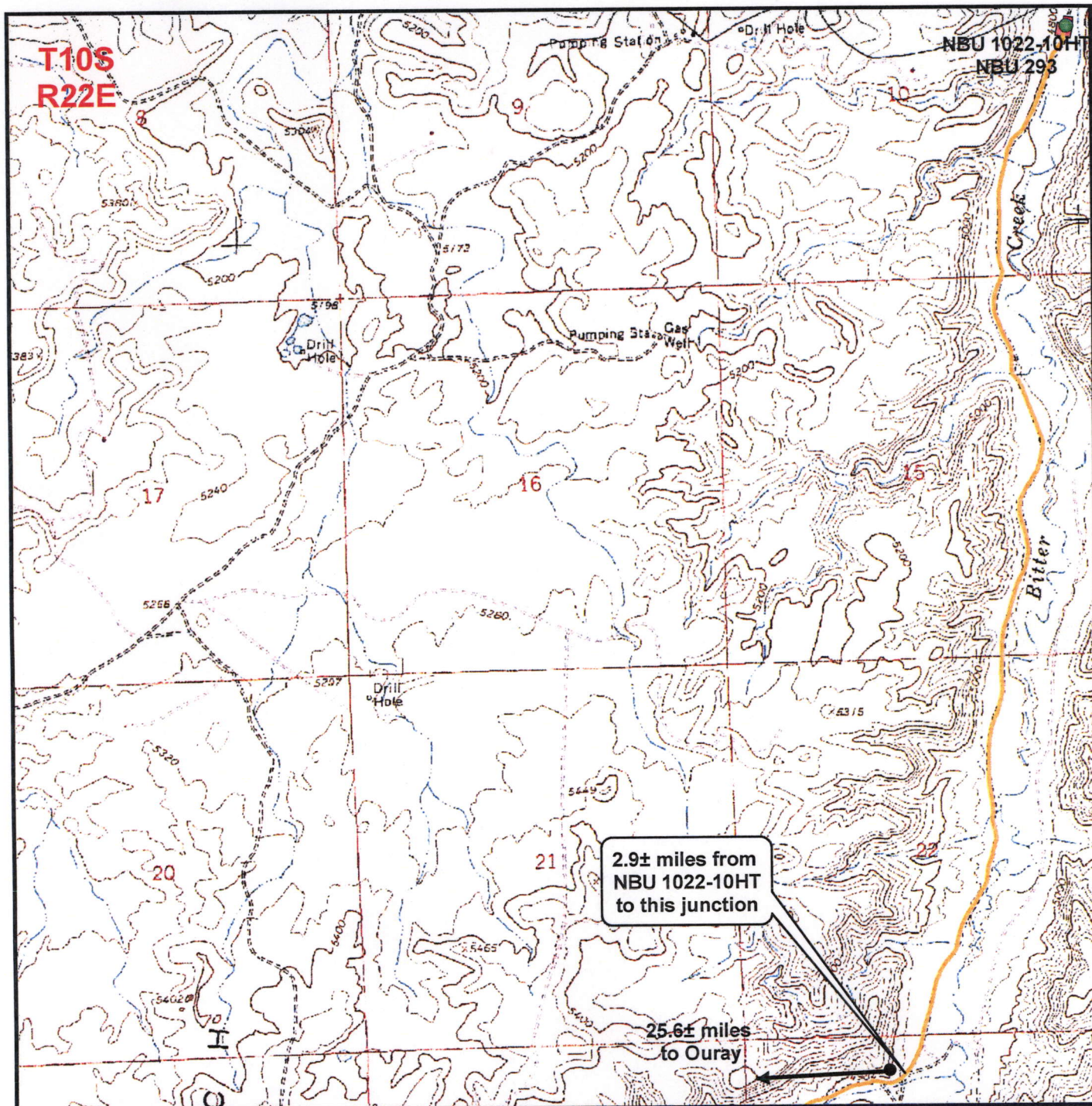


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Revised:	Date:

Sheet No:

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Legend

● Proposed NBU 1022-10HT Well Location

— Existing Access Roads

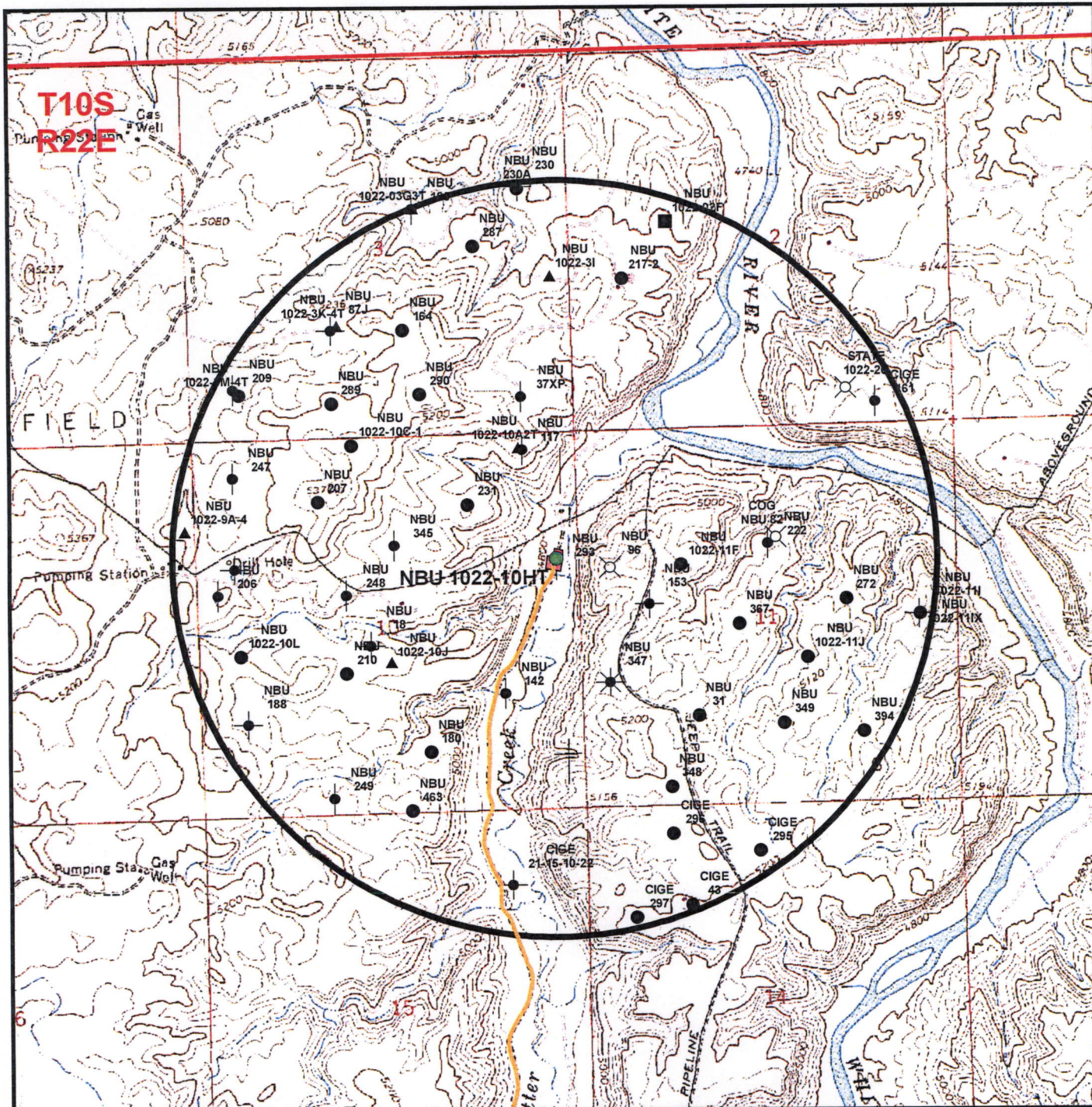
Kerr-McGee Oil & Gas Onshore, LP
1099 18th Street, Suite 1200 - Denver, Colorado 80202

NBU 1022-10HT
Topo B
1798' FNL, 297' FEL
SE¼ NE¼, Section 10, T10S, R22E
S.L.B.&M., Uintah County, Utah


CONSULTING, LLC
371 Coffeen Avenue
Sheridan, WY 82801
Phone (307) 673-0036
Fax (307) 674-0182



Scale: 1" = 2000ft	NAD83 USP Central	Sheet No:
Drawn: JELO	Date: 9 June 2008	6
Revised:	Date:	6 of 7



Legend

● Proposed NBU 1022-10HT Well Location

— Existing Access Roads

Kerr-McGee Oil & Gas Onshore, LP

1099 18th Street, Suite 1200 - Denver, Colorado 80202

NBU 1022-10HT

Topo C

1798' FNL, 297' FEL

SE¼ NE¼, Section 10, T10S, R22E

S.L.B.&M., Uintah County, Utah



CONSULTING, LLC

371 Coffeen Avenue
Sheridan, WY 82801
Phone (307) 673-0036
Fax (307) 674-0182



- Producing
- ★ Active
- ▲ Approved permit (APD); not yet spudded
- New Permit (Not yet approved or drilled)
- ⊗ Location Abandoned
- ⊕ Plugged and Abandoned
- Shut-In

Scale: 1" = 2000ft

NAD83 USP Central

Sheet No:

Drawn: JELO
Revised:

Date: 9 June 2008
Date:

7

7 of 7

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 06/27/2008

API NO. ASSIGNED: 43-047-40195

WELL NAME: NBU 1022-10HT

OPERATOR: KERR-MCGEE OIL & GAS (N2995)

PHONE NUMBER: 720-929-6226

CONTACT: KEVIN MCINTYRE

PROPOSED LOCATION:

SENE 10 100S 220E

SURFACE: 1798 FNL 0297 FEL

BOTTOM: 1798 FNL 0297 FEL

COUNTY: UINTAH

LATITUDE: 39.96572 LONGITUDE: -109.4170

UTM SURF EASTINGS: 635199 NORTHINGS: 4424943

FIELD NAME: NATURAL BUTTES (630)

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-025187

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: WSMVD

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. WYB000291)
☒ Potash (Y/N)
☒ Oil Shale 190-5 (B) or 190-3 or 190-13
☒ Water Permit
(No. 43-8496)
☒ RDCC Review (Y/N)
(Date:)
☒ Fee Surf Agreement (Y/N)
☒ Intent to Commingle (Y/N)

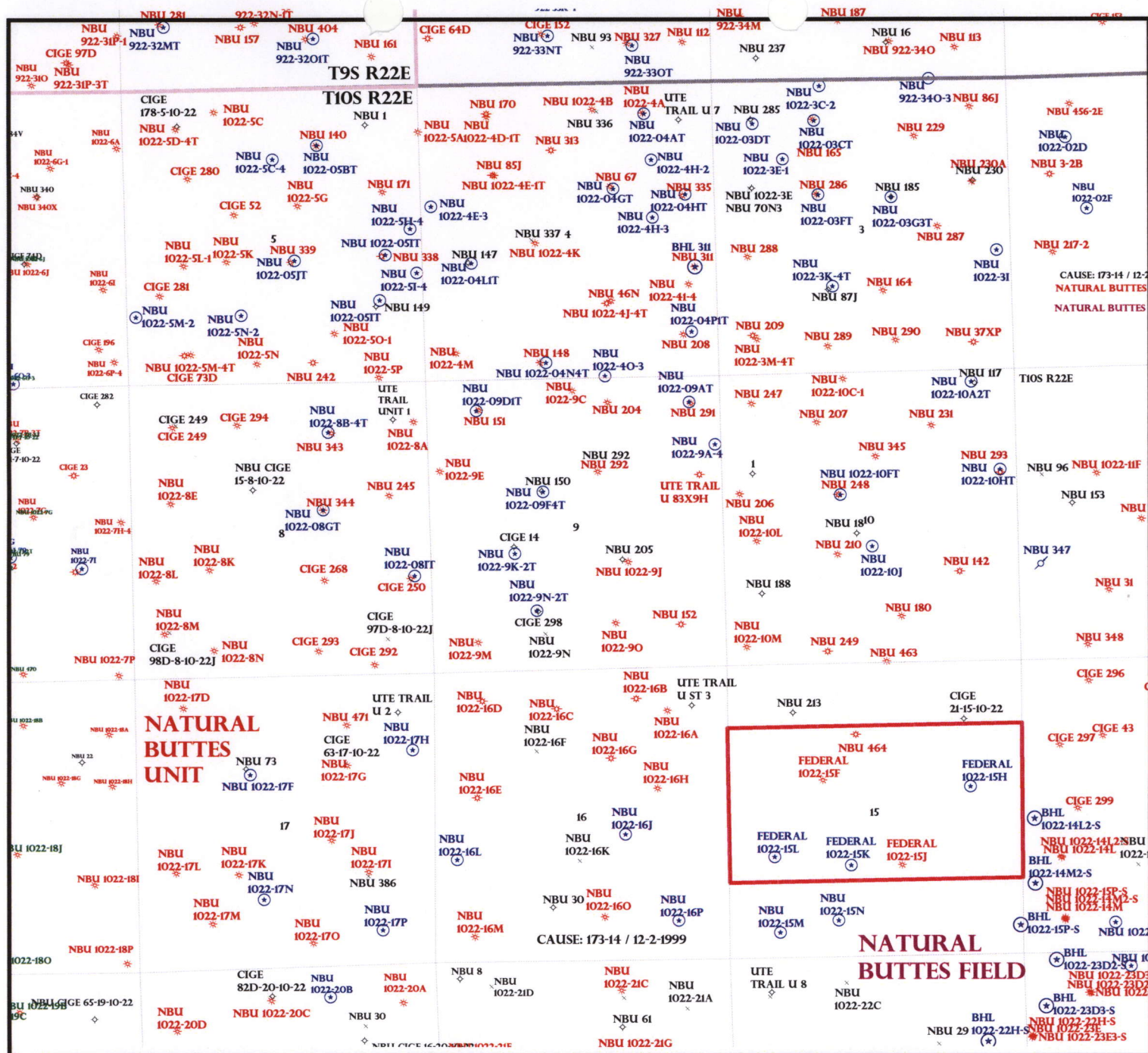
LOCATION AND SITING:

___ R649-2-3.
Unit: NATURAL BUTTES
___ R649-3-2. General
Siting: 460' From Qtr/Qtr & 920' Between Wells
___ R649-3-3. Exception
☒ Drilling Unit
Board Cause No: 173-14
Eff Date: 12-2-1999
Siting: 460' N of 1/4 Sec 5, Uncomm. Tract
___ R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: _____

1- Federal Approval
2- OIL SURVEY



OPERATOR: KERR MCGEE O&G (N2995)

SEC: 8.9.10 T.10S R. 22E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH

CAUSE: 173-14 / 12-2-1999

PREPARED BY: DIANA MASON
DATE: 14-JULY-2008

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:

3160

(UT-922)

July 15, 2008

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2008 Plan of Development Natural Buttes Unit
Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2008 within the Natural Buttes Unit, Uintah County, Utah.

API #	WELL NAME	LOCATION
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(Proposed PZ Wasatch/MesaVerde)

43-047-40184	NBU 921-30FT	Sec 30 T09S R21E 1585 FNL 2614 FWL
43-047-40185	NBU 921-31BT	Sec 31 T09S R21E 0670 FNL 2008 FEL
43-047-40170	NBU 921-27KT	Sec 27 T09S R21E 1527 FSL 1821 FWL
43-047-40171	NBU 921-27MT	Sec 27 T09S R21E 0634 FSL 0931 FWL
43-047-40172	NBU 921-27OT	Sec 27 T09S R21E 0646 FSL 2211 FEL
43-047-40173	NBU 921-27HT	Sec 27 T09S R21E 2025 FNL 0623 FEL
43-047-40174	NBU 921-27LT	Sec 27 T09S R21E 1954 FSL 0641 FWL
43-047-40175	NBU 921-33K	Sec 33 T09S R21E 2066 FSL 1926 FWL
43-047-40227	NBU 921-27C2D	Sec 27 T09S R21E 0650 FNL 1730 FWL
43-047-40203	NBU 921-27D2DS	Sec 27 T09S R21E 0660 FNL 1713 FWL
	BHL	Sec 27 T09S R21E 0395 FNL 0350 FWL
43-047-40202	NBU 921-27D2AS	Sec 27 T09S R21E 0640 FNL 1747 FWL
	BHL	Sec 27 T09S R21E 0050 FNL 0350 FWL
43-047-40201	NBU 921-27C2AS	Sec 27 T09S R21E 0630 FNL 1765 FWL
	BHL	Sec 27 T09S R21E 0300 FNL 1730 FWL
43-047-40169	NBU 921-26IT	Sec 26 T09S R21E 1964 FSL 0674 FEL
43-047-40176	NBU 922-29NT	Sec 29 T09S R22E 0845 FSL 1627 FWL
43-047-40177	NBU 922-29KT	Sec 29 T09S R22E 1795 FSL 1936 FWL
43-047-40178	NBU 922-31BT	Sec 31 T09S R22E 0888 FNL 2191 FEL

43-047-40179	NBU 922-32ET	Sec 32	T09S	R22E	2477	FNL	0094	FWL
43-047-40186	NBU 922-33OT	Sec 33	T09S	R22E	0692	FSL	1465	FEL
43-047-40187	NBU 922-33NT	Sec 33	T09S	R22E	0890	FSL	2291	FWL
43-047-40188	NBU 922-33IT	Sec 33	T09S	R22E	2115	FSL	0579	FEL
43-047-40191	NBU 1022-04GT	Sec 04	T10S	R22E	1897	FNL	1861	FEL
43-047-40189	NBU 922-35IT	Sec 35	T09S	R22E	2133	FSL	0627	FEL
43-047-40190	NBU 1022-01CT	Sec 01	T10S	R22E	0819	FNL	2106	FWL
43-047-40192	NBU 1022-08IT	Sec 08	T10S	R22E	1757	FSL	0323	FEL
43-047-40193	NBU 1022-08GT	Sec 08	T10S	R22E	2313	FNL	1922	FEL
43-047-40194	NBU 1022-09AT	Sec 09	T10S	R22E	0472	FNL	0582	FEL
43-047-40195	NBU 1022-10HT	Sec 10	T10S	R22E	1798	FNL	0297	FEL
43-047-40196	NBU 1022-10FT	Sec 10	T10S	R22E	2200	FNL	2094	FWL
43-047-40204	NBU 1022-32D1S	Sec 32	T10S	R22E	0205	FNL	2058	FWL
	BHL	Sec 32	T10S	R22E	0270	FNL	1310	FWL
43-047-40205	NBU 1022-32D4AS	Sec 32	T10S	R22E	0198	FNL	2077	FWL
	BHL	Sec 32	T10S	R22E	0760	FNL	1180	FWL
43-047-40206	NBU 1022-32B3S	Sec 32	T10S	R22E	0185	FNL	2114	FWL
	BHL	Sec 32	T10S	R22E	1150	FNL	2130	FEL
43-047-40207	NBU 1022-32D4DS	Sec 32	T10S	R22E	0192	FNL	2096	FWL
	BHL	Sec 32	T10S	R22E	1240	FNL	1050	FWL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc: File - Natural Buttes Unit
 Division of Oil Gas and Mining
 Central Files
 Agr. Sec. Chron
 Fluid Chron

MCoulthard:mc:7-15-08



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

July 16, 2008

Kerr-McGee Oil & Gas Onshore, LP
P O Box 173779
Denver, CO 80217-3779

Re: NBU 1022-10HT Well, 1798' FNL, 297' FEL, SE NE, Sec. 10, T. 10 South, R. 22 East,
Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-40195.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal Office



Operator: Kerr-McGee Oil & Gas Onshore, LP

Well Name & Number NBU 1022-10HT

API Number: 43-047-40195

Lease: UTU-025187

Location: SE NE **Sec.** 10 **T.** 10 South **R.** 22 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dustin Doucet at (801) 538-5281 office (801) 733-0983 home

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: July 31, 2010

RECEIVED

JUL 16 2008

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.

UTU-025187

BLM

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA Agreement, Name and No.

891008900A

8. Lease Name and Well No.

NBU 1022-10HT

1a. Type of Work:



DRILL



REENTER

1b. Type of Well:



Gas Well



Other



Single Zone



Multiple Zone

2. Name of Operator

Kerr-McGee Oil & Gas Onshore, LP

9. API Well No.

43 047 40195

3a. Address

P.O. Box 173779
Denver, CO 80217-3779

3b. Phone No. (include area code)

720.929.6226

10. Field and Pool, or Exploratory

Natural Buttes Field

4. Location of well (Report location clearly and in accordance with any State requirements. *)

At surface 1798

FNL

297 FEL SE NE Lat.

39.96581

Long. -109.41702

At proposed prod. zone

N/A

NAD 27

11. Sec., T., R., M., or Blk. and Survey or Area

Sec 10 T 10S R 22E

14. Distance in miles and direction from the nearest town or post office*

28.5 miles east of Ouray, Utah

12. Cou State

Utah

Utah

15. Distance from proposed*

location to nearest

property or lease line, ft.

(Also to nearest drlg. unit line, if any)

297'

16. No. of acres in lease

600

17. Spacing Unit dedicated to this well

40

18. Distance from proposed location*

to nearest well, drilling, completed,

applied for, on this lease, ft.

30'

19. Proposed Depth

8200'

20. BLM/ BIA Bond No. on file

WYB000291

21. Elevations (Show whether DF, RT, GR, etc.)

4,791'

GR

22. Aproximate date work will start*

Esti

mat

Upon Approval

10 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1 shall be attached to this form:

1. Well plat certified by a registered surveyor.

2. A Drilling Plan.

3. A Surface Use Plan (if the location is on National Forest System Land

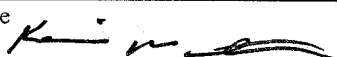
SUPO shall be filed with the appropriate Forest Service Office).

4. Bond to cover the operations unless covered by existing bond on file (see item 20 above).

5. Operator certification.

6. Such other site specific information and/ or plans as may be required by authorized officer.

25. Signature



Name (Printed/ Typed)

Kevin McIntyre

Title Regulatory Analyst

Approved By (Signature)



Name (Printed/ Typed)

Jerry Kevalls

Title

Assistant Field Manager
Lands & Mineral Resources

Office

VERNAL FIELD OFFICE

NOV 19 2008

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached

CONDITIONS OF APPROVAL ATTACHED

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

UDOGM

NOTICE OF APPROVAL

NOV 24 2008

(Instructions on page 2)

DIV. OF OIL, GAS & MINING

NO

35PP10197



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE

170 South 500 East

VERNAL, UT 84078

(435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: Kerr McGee Oil & Gas Onshore, LP
Well No: NBU 1022-10HT
API No: 43-047-40195

Location: SENE, Sec.10, T10S, R22E
Lease No: UTU-025187
Agreement: Natural Buttes Unit

Title	Name	Office Phone Number	Cell Phone Number
Petroleum Engineer:	Matt Baker	(435) 781-4490	(435) 828-4470
Petroleum Engineer:	Michael Lee	(435) 781-4432	(435) 828-7875
Petroleum Engineer:	Ryan Angus	(435) 781-4430	(435) 828-7368
Supervisory Petroleum Technician:	Jamie Sparger	(435) 781-4502	(435) 828-3913
Supervisory NRS:	Karl Wright	(435) 781-4484	
NRS/Enviro Scientist:	Holly Villa	(435) 781-4404	(435) 828-3544
NRS/Enviro Scientist:	James Hereford	(435) 781-3412	(435) 828-3546
NRS/Enviro Scientist:	Chuck Macdonald	(435) 781-4441	(435) 828-7481
NRS/Enviro Scientist:	Dan Emmett	(435) 781-3414	(435) 828-4029
NRS/Enviro Scientist:	Paul Percival	(435) 781-4493	(435) 828-7381
NRS/Enviro Scientist:	Anna Figueroa	(435) 781-3407	(435) 828-3548
NRS/Enviro Scientist:	Verlyn Pindell	(435) 781-3402	(435) 828-3547
NRS/Enviro Scientist:	Nathan Packer	(435) 781-3405	(435) 828-3545
NRS/Enviro Scientist:	David Gordon	(435) 781-4424	

Fax: (435) 781-3420

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

Location Construction (Notify Environmental Scientist)	- Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify Environmental Scientist)	- Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	- Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supv. Petroleum Tech.)	- Twenty-Four (24) hours prior to running casing and cementing all casing strings.
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	- Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify Petroleum Engineer)	- Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

***SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)***

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.

SITE SPECIFIC COAs:

Golden Eagle - January 1 through August 31

No drilling or construction during the above indicated dates unless nest is not active.

Per recommendation of the BLM authorized agent.

DOWNHOLE PROGRAM CONDITIONS OF APPROVAL (COAs)

SITE SPECIFIC DOWNHOLE COAs:

- A copy of Kerr McGee's Standard Operating Practices (SOP version: dated 7/17/08 and approved 7/28/08) shall be on location.
- Drilling plan specifics and practices are referenced in the Kerr McGee Oil & Gas Standard Operating Procedures (SOP version: July 28, 2008). The operators drilling plan items 3 to 9 reference the SOP. Kerr McGee shall adhere to the referenced requirements in the SOP. Kerr McGee and their contractors shall adhere to all Oil and Gas rules and requirements listed in the Code of Federal Regulations and all Federal Onshore Oil and Gas Orders except where variances have been granted.
- Covering air/gas drilling operations, requirements will be adhered to covering air/gas drilling operations as described in Onshore Order #2 III. E. 1. Drilling Operations, Special Drilling Operations, air/gas drilling.
- Production casing cement shall be brought up and into the surface casing. Production casing minimum cement top is 1200 ft. The minimum cement top is approximately 800 ft above the surface casing shoe.
Cmnt Top (TOC) standard will place cmnt behind casing across formation lost circulation zone, Birds Nest Zone.
COA specification fulfills operators performance standard stated in APD (where operators toc is calc'd with an excess to reach surface).
- A Gamma Ray well Log shall be run from the well Total Depth to the surface.
A copy of the Gamma Ray well Log shall be submitted to the BLM Vernal Field Office.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.

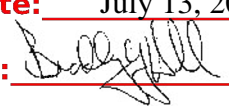
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - Operator name, address, and telephone number.
 - Well name and number.
 - Well location (¼¼, Sec., Twn, Rng, and P.M.).
 - Date well was placed in a producing status (date of first production for which royalty will be paid).
 - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - Unit agreement and/or participating area name and number, if applicable.
 - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or

data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
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2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		8. WELL NAME and NUMBER: NBU 1022-10HT
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1798 FNL 0297 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENE Section: 10 Township: 10.0S Range: 22.0E Meridian: S		9. API NUMBER: 43047401950000
PHONE NUMBER: 720 929-6007 Ext		9. FIELD and POOL or WILDCAT: NATURAL BUTTES
COUNTY: UINTAH		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 7/10/2009 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </div> <div style="width: 33%;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER </div> <div style="width: 33%;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: </div> </div>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Kerr-McGee Oil & Gas Onshore, L.P. (Kerr-McGee) respectfully requests an extension to this APD for the maximum time allowed. Please contact the undersigned with any questions and/or comments. Thank you.		
<div style="text-align: right;"> Approved by the Utah Division of Oil, Gas and Mining </div>		Date: July 13, 2009 By: 
NAME (PLEASE PRINT) Danielle Piernot		PHONE NUMBER 720 929-6156
SIGNATURE N/A		TITLE Regulatory Analyst
DATE 7/7/2009		



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047401950000

API: 43047401950000

Well Name: NBU 1022-10HT

Location: 1798 FNL 0297 FEL QTR SENE SEC 10 TWNP 100S RNG 220E MER S

Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date Original Permit Issued: 7/16/2008

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? ☐ Yes ☒ No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? ☐ Yes ☒ No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? ☐ Yes ☒ No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? ☐ Yes ☒ No
- Has the approved source of water for drilling changed? ☐ Yes ☒ No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? ☐ Yes ☒ No
- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

**Approved by the
Utah Division of
Oil, Gas and Mining**

Signature: Danielle Piernot

Date: 7/7/2009

Title: Regulatory Analyst **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date: July 13, 2009

By: 

RECEIVED July 07, 2009

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: KERR-McGEE OIL & GAS ONSHORE, L.P.

Well Name: NBU 1022-10HT

Api No: 43-047-40195 Lease Type: FEDERAL

Section 10 Township 10S Range 22E County UINTAH

Drilling Contractor PETE MARTIN DRLG RIG # BUCKET

SPUDDED:

Date 11/12/2009

Time 11:00 AM

How DRY

Drilling will Commence: _____

Reported by JAMES GOBEL

Telephone # (435) 828-7024

Date 11/12/2009 Signed CHD

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
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3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		8. WELL NAME and NUMBER: NBU 1022-10HT
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1798 FNL 0297 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENE Section: 10 Township: 10.0S Range: 22.0E Meridian: S		9. API NUMBER: 43047401950000
PHONE NUMBER: 720 929-6007 Ext		9. FIELD and POOL or WILDCAT: NATURAL BUTTES
COUNTY: UTAH		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> ALTER CASING	
<input checked="" type="checkbox"/> SPUD REPORT Date of Spud: 11/12/2009	<input type="checkbox"/> CASING REPAIR	
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	
	<input type="checkbox"/> CHANGE TUBING	
	<input type="checkbox"/> CHANGE WELL STATUS	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	
	<input type="checkbox"/> DEEPEN	
	<input type="checkbox"/> FRACTURE TREAT	
	<input type="checkbox"/> OPERATOR CHANGE	
	<input type="checkbox"/> PLUG AND ABANDON	
	<input type="checkbox"/> PRODUCTION START OR RESUME	
	<input type="checkbox"/> RECLAMATION OF WELL SITE	
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> VENT OR FLARE	
	<input type="checkbox"/> WATER SHUTOFF	
	<input type="checkbox"/> SI TA STATUS EXTENSION	
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	
	<input type="checkbox"/> OTHER:	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. MIRU PETE MARTIN BUCKET RIG. DRILLED 20" CONDUCTOR HOLE TO 40'. RAN 14" 36.7# SCHEDULE 10 PIPE. CMT W/28 SX READY MIX. SPUD WELL LOCATION ON 11/12/2009 AT 12:30 HRS.		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY November 16, 2009		
NAME (PLEASE PRINT) Andy Lytle	PHONE NUMBER 720 929-6100	TITLE Regulatory Analyst
SIGNATURE N/A	DATE 11/16/2009	

<div>STATE OF UTAH</div> <div>DEPARTMENT OF NATURAL RESOURCES</div> <div>DIVISION OF OIL, GAS, AND MINING</div>		<div>FORM 9</div> <div>5.LEASE DESIGNATION AND SERIAL NUMBER: UTU-025187</div>	
<div>SUNDRY NOTICES AND REPORTS ON WELLS</div> <div>Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.</div>		<div>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</div> <div>7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES</div>	
<div>1. TYPE OF WELL</div> <div>Gas Well</div>		<div>8. WELL NAME and NUMBER:</div> <div>NBU 1022-10HT</div>	
<div>2. NAME OF OPERATOR:</div> <div>KERR-MCGEE OIL & GAS ONSHORE, L.P.</div>		<div>9. API NUMBER:</div> <div>43047401950000</div>	
<div>3. ADDRESS OF OPERATOR:</div> <div>P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779</div>		<div>PHONE NUMBER:</div> <div>720 929-6007 Ext</div>	<div>9. FIELD and POOL or WILDCAT:</div> <div>NATURAL BUTTES</div>
<div>4. LOCATION OF WELL</div> <div>FOOTAGES AT SURFACE:</div> <div>1798 FNL 0297 FEL</div> <div>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</div> <div>Qtr/Qtr: SENE Section: 10 Township: 10.0S Range: 22.0E Meridian: S</div>		<div>COUNTY:</div> <div>UINTAH</div>	
		<div>STATE:</div> <div>UTAH</div>	
<div>11.</div> <div>CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA</div>			
<div>TYPE OF SUBMISSION</div>		<div>TYPE OF ACTION</div>	
<div><input type="checkbox"/> NOTICE OF INTENT</div> <div>Approximate date work will start:</div> <div><input type="checkbox"/> SUBSEQUENT REPORT</div> <div>Date of Work Completion:</div> <div><input type="checkbox"/> SPUD REPORT</div> <div>Date of Spud:</div> <div><input checked="" type="checkbox"/> DRILLING REPORT</div> <div>Report Date:</div> <div>11/15/2009</div>		<div><input type="checkbox"/> ACIDIZE</div> <div><input type="checkbox"/> CHANGE TO PREVIOUS PLANS</div> <div><input type="checkbox"/> CHANGE WELL STATUS</div> <div><input type="checkbox"/> DEEPEN</div> <div><input type="checkbox"/> OPERATOR CHANGE</div> <div><input type="checkbox"/> PRODUCTION START OR RESUME</div> <div><input type="checkbox"/> REPERFORATE CURRENT FORMATION</div> <div><input type="checkbox"/> TUBING REPAIR</div> <div><input type="checkbox"/> WATER SHUTOFF</div> <div><input type="checkbox"/> WILDCAT WELL DETERMINATION</div> <div><input type="checkbox"/> ALTER CASING</div> <div><input type="checkbox"/> CHANGE TUBING</div> <div><input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS</div> <div><input type="checkbox"/> FRACTURE TREAT</div> <div><input type="checkbox"/> PLUG AND ABANDON</div> <div><input type="checkbox"/> RECLAMATION OF WELL SITE</div> <div><input type="checkbox"/> SIDETRACK TO REPAIR WELL</div> <div><input type="checkbox"/> VENT OR FLARE</div> <div><input type="checkbox"/> SI TA STATUS EXTENSION</div> <div><input type="checkbox"/> OTHER</div> <div><input type="checkbox"/> CASING REPAIR</div> <div><input type="checkbox"/> CHANGE WELL NAME</div> <div><input type="checkbox"/> CONVERT WELL TYPE</div> <div><input type="checkbox"/> NEW CONSTRUCTION</div> <div><input type="checkbox"/> PLUG BACK</div> <div><input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION</div> <div><input type="checkbox"/> TEMPORARY ABANDON</div> <div><input type="checkbox"/> WATER DISPOSAL</div> <div><input type="checkbox"/> APD EXTENSION</div> <div>OTHER:</div>	
<div>12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.</div> <div>MIRU PROPETRO AIR RIG ON 11/13/2009. DRILLED 12-1/4" SURFACE HOLE TO 1650'. RAN 9-5/8" 36# J-55 SURFACE CASING. PUMP 110 BBLS OF WATER AHEAD. PUMP 20 BBLS OF GEL WATER. LEAD CMT W/300 SX CLASS G HI FILL @ 13.1 PPG, 1.69 YIELD. PUMP 250 SX CLASS G PREM LITE TAIL @ 15.8 PPG, 1.15 YIELD. DROP PLUG ON FLY, DISPLACE W/121 BBLS OF 8-3/4" WATER, 480 PSI OF LIFT @ 3 BBLS/MIN, NO CMT TO SURFACE. BUMP PLUG 900 PSI. FLOAT HELD. PUMP 75 SX CLASS G PREM LITE TOP OUT @ 15.8 PPG, 1.15 YIELD DOWN BACKSIDE OF CSG. NO CMT TO SURFACE. CMT APPROX 300' DOWN. WAIT 2 HRS AND TOP OUT #2 W/150 SX OF SAME CMT. CMT TO SURFACE AND STAYED. WORT.</div>			
<div>NAME (PLEASE PRINT)</div> <div>Andy Lytle</div>		<div>PHONE NUMBER</div> <div>720 929-6100</div>	<div>TITLE</div> <div>Regulatory Analyst</div>
<div>SIGNATURE</div> <div>N/A</div>		<div>DATE</div> <div>11/16/2009</div>	

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
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PHONE NUMBER: 720 929-6007 Ext		9. FIELD and POOL or WILDCAT: NATURAL BUTTES
COUNTY: UINTAH		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> ALTER CASING	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CASING REPAIR	
<input checked="" type="checkbox"/> DRILLING REPORT Report Date: 12/2/2009	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	
	<input type="checkbox"/> CHANGE TUBING	
	<input type="checkbox"/> CHANGE WELL STATUS	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	
	<input type="checkbox"/> DEEPEN	
	<input type="checkbox"/> FRACTURE TREAT	
	<input type="checkbox"/> OPERATOR CHANGE	
	<input type="checkbox"/> PLUG AND ABANDON	
	<input type="checkbox"/> PRODUCTION START OR RESUME	
	<input type="checkbox"/> RECLAMATION OF WELL SITE	
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> VENT OR FLARE	
	<input type="checkbox"/> WATER SHUTOFF	
	<input type="checkbox"/> SI TA STATUS EXTENSION	
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	
	<input type="checkbox"/> OTHER:	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.		
FINISHED DRILLING FROM 1650' TO 8283' ON 11/30/2009. RAN 4-1/2" 11.6# I-80 PRODUCTION CSG. PUMP 40 BBLS DYE WATER. LEAD CMT W/399 SX CLASS G PREM @ 11.5 PPG, 2.7 YIELD. TAILED CMT W/1100 SX CLASS @ 14.3 PPG, 1.31 YIELD. DROP PLUG & DISPLACE W/127.8 BBLS WATER. BUMP PLUG W/3050 PSI, FINAL LIFT PSI OF 2450, FLOATS HELD, FULL RETURNS THROUGHOUT JOB W/17 BBLS CMT TO PIT & 1.5 BACK TO TRUCK. WASH STACK & LAND CASING W/60K, R/D CEMENTERS, L/D LANDING JT. N/D. RELEASE PIONEER 69 RIG ON 12/2/2009 AT 18:00 HRS.		
NAME (PLEASE PRINT) Andy Lytle		PHONE NUMBER 720 929-6100
SIGNATURE N/A		TITLE Regulatory Analyst
DATE 12/3/2009		FOR RECORD ONLY December 03, 2009

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-025187
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PHONE NUMBER: 720 929-6007 Ext		9. FIELD and POOL or WILDCAT: NATURAL BUTTES
COUNTY: UINTAH		STATE: UTAH
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<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> ALTER CASING	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CASING REPAIR	
<input checked="" type="checkbox"/> DRILLING REPORT Report Date: 1/4/2010	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	
	<input type="checkbox"/> CHANGE TUBING	
	<input type="checkbox"/> CHANGE WELL STATUS	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	
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	<input type="checkbox"/> SI TA STATUS EXTENSION	
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	
	<input type="checkbox"/> OTHER: _____	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. THE SUBJECT WELL WAS PLACED ON PRODUCTION ON 01/04/2010 AT 3:00 P.M. PLEASE REFER TO THAT ATTACHED CHRONOLOGICAL WELL HISTORY		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY January 07, 2010		
NAME (PLEASE PRINT) Andy Lytle	PHONE NUMBER 720 929-6100	TITLE Regulatory Analyst
SIGNATURE N/A	DATE 1/5/2010	

Well: NBU 1022-10HT			Spud Conductor: 11/12/2009			Spud Date: 11/13/2009		
Project: UTAH-UINTAH			Site: NBU 293 PAD			Rig Name No: PIONEER 69/69, PROPETRO/		
Event: DRILLING			Start Date: 4/21/2009			End Date: 12/2/2009		
Active Datum: RKB @4,809.00ft (above Mean Sea Level)			UWI: 0/10/S/22/E/10/0/SENE/26/PM/N/1,798.00/E/0/297.00/0/0					
11/13/2009	6:00 - 14:00	8.00	MIRU	01	A	P	MOVE RIG FROM NBU 920-12-F. APPROX 20 MILES. WAIT FOR LOCATION TO BE READY	
	14:00 - 18:30	4.50	MIRU	01	B	P	MOVE FROM 12:00 TO 14:00.	
	18:30 - 20:30	2.00	DRLSUR	02	A	P	DRESS CONDUCTOR AND INSTALL AIR BOWL, BOWIE LINE. RIG UP RIG, BUILD DITCH, RIG UP PUMP. P/U AIR HAMMER	
	20:30 - 0:00	3.50	DRLSUR	06	A	P	AIR SPUD 11/13/2009 18:30, AIR HAMMER 64' 180'.	
							LD AIR HAMMER, PU HUNTING 1.5 DEG BENT HOUSE MOTOR SN 8049. M/U HC507Z SN 7008622 (2ND RUN) SCRIBE MOTOR AND P/U SCIENTIFIC DRILLING DIRECTIONAL TOOLS. INSTALL AIR BOWL RUBBER. PRIME PUMPS. WORK ON PUMP AND PRIME PUMP.	
11/14/2009	0:00 - 2:00	2.00	MAINT	08	B	Z	DRILL SLIDE 180'-1650'(1470', 86'/HR) TD	
	2:00 - 19:00	17.00	DRLSUR	02	D	P	11/14/2009 19:00. WOB 20K RPM 45, MOTOR RPM 104, GPM 650, ON/OFF PSI- 1400/1700 UP/DOWN/ROT=65/62/64 LOSS CIRC 1120' STARTED AERATING WATER. DRILLED INTO WATER ZONE 1150'. WATER FLOW OF 16 BBLS A MIN. RESERVE PIT FILLING ABOUT 1' AN HOUR. TD WELL 50' EARLY TO ATTEMPT TO CONTROL WATER FLOW.	
	19:00 - 19:30	0.50	CSG	05	B	X	PUMP 130 BBLS OF 11.6 MUD TO CONTROL WATER FLOW. RESERVE PIT 90% FULL. RESERVE PIT 2' FROM TOP.	
	19:30 - 22:00	2.50	CSG	06	D	X	LDDS, LD 12- 6" COLLARS, WELL STARTED FLOWING 16 BBLS MIN. TRIED PUMPING 30 BBLS OF 12.6# MUD @ 200', WOULD NOT KILL WELL. REINSTALL RUBBER, TRIP BACK IN W/ 600' OF DP.	
	22:00 - 22:30	0.50	CSG	05	B	X	PUMP 50 BBLS OF 12.6 MUD TILL WELL STOPPED FLOWING. PIT 95% FULL.	
	22:30 - 0:00	1.50	CSG	06	D	P	TRIPPED OUT LAYING DOWN DP, FILLING HOLE W/ 10 BBLS 12.6 MUD EVERY 200'. PIT 85% FULL @ MIDNIGHT.	
11/15/2009	0:00 - 2:00	2.00	CSG	06	D	P	LD DIRECTIONAL TOOLS, FILL DOWN HOLE 40 BBLSW/ 12.6# MUD. LOAD UP DIRECTIONAL TOOLS ON TRUCK AND SHIP OFF.	
	2:00 - 6:00	4.00	CSG	12	C	P	RUN 37 JTS OF 9-5/8" 36# J-55 CSG TO 1638' KB, BAFFLE PLATE RAN IN TOP OF SHOE JT LANDED @ 1592'. FILL CSG 800'.	
	6:00 - 7:00	1.00	RDMO	01	E	P	RIG DOWN RIG AND READY FOR LONG MOVE. RIG RELEASE 11/15/2009 07:30	
	7:30 - 11:00	3.50	CSG	12	E	P	PRESSURE TEST TO 2000 PSI, PUMP 110 BBLS OF WATER AHEAD, PUMP 20 BBLS OF GEL WATER, START 300 SX (90 BBLS) OF LEAD CEMENT 13.1#, 1.69 YD, 8.8 GAL/SK. (65% CEM, 35% POZ) PUMP 250 SX (51 BBLS) OF 15.8#, 1.15 YD, 5 GAL/SK. DROP PLUG ON FLY, DISPLACE W/ 121 BBLS OF 8.3# WATER. 480 PSI OF LIFT @ 3 BBLS/MIN NO CEMENT TO SURFACE.. BUMP PLUG 900 PSI. FOAT HELD. PUMP 75 SX(15.3 BBLS) OF 15.8# 4% CALC2 1.5 YD 5 GAL SK DOWN BACKSIDE OF CSG. NO CEMENT SURFACE. CEMENT APPROX 300' DOWN. WAIT 2 HRS AND TOP OUT W/ 150 SX (30.7 BBLS) OF SAME CEMENT. CEMENT TO SURFACE AND STAYED.	

Operation Summary Report

Well: NBU 1022-10HT	Spud Conductor: 11/12/2009	Spud Date: 11/13/2009
Project: UTAH-UINTAH	Site: NBU 293 PAD	Rig Name No: PIONEER 69/69, PROPETRO/
Event: DRILLING	Start Date: 4/21/2009	End Date: 12/2/2009
Active Datum: RKB @4,809.00ft (above Mean Sea Level)		UWI: 0/10/S/22/E/10/0/SENE/26/PM/N/1,798.00/E/0/297.00/0/0

11/26/2009	4:00 - 7:00	3.00	DRLPRO	01	E	P	RDRT
	7:00 - 17:00	10.00	DRLPRO	01	A	P	MOVE RIG 12.8 MILES TO NBU 1022-10HT, 8 HAUL TRUCKS, 4 BED TRUCKS, 1 CRANE, NO EXTRA RIG HANDS
	17:00 - 0:00	7.00	DRLPRO	01	B	P	RURT, REMOVE 14" SPOOL & REPLACE W/ 21" SPACER SPOOL DO TO MATTING BOARDS, 100% MOVED, 90% RIGGED UP
11/27/2009	0:00 - 1:00	1.00	DRLPRO	01	B	P	FINISH R/U
	1:00 - 5:00	4.00	DRLPRO	14	A	P	N/U BOPE, CHANGE OUT 14" SPOOL F/ 24"
	5:00 - 12:30	7.50	DRLPRO	15	A	P	TEST BOPE, RAMS & ALL VALVES 250 LOW-5000 HIGH, ANN 250-5000, CASING 1500 F/ 30 MIN
	12:30 - 16:00	3.50	DRLPRO	06	A	P	HPJSM W/ RIG & P/U CREWS, P/U BIT #1, MM, DIR TOOLS & SCRIBE, P/U 31 JTS D/P, R/D
	16:00 - 19:00	3.00	DRLPRO	09	A	P	CUT & SLIP 85' DRLG LINE, INSTALL ROT RUBBER, KELLY DRIVE BUSHINGS, TORQUE KELLY, CENTER STACK, PRE-SPUD INSECTION
	19:00 - 20:30	1.50	DRLPRO	02	F	P	DRLG CEMENT, F/E, SHOE & OPEN HOLE TO 1664
	20:30 - 0:00	3.50	DRLPRO	02	B	P	SPUD WELL @ 20:30 11/27/09, DRLG, SLIDE & SURVEY F/ 1664 TO 2149', 485' @ 138.6' PH, CIRC RESERVE PIT W/ GEL & POLY SWEEPS, SLIDES - 1900-1910
11/28/2009	0:00 - 14:00	14.00	DRLPRO	02	B	P	DRLG F/ 2149 TO 3918' 1769' @ 126.6' PH, CIRC RESERVE PIT W/ GELL & POLY SWEEPS, SLIDES 2182-2192, 3034-3044, 3887-3897
	14:00 - 14:30	0.50	DRLPRO	07	A	P	SERVICE RIG
	14:30 - 0:00	9.50	DRLPRO	02	B	P	DRLG F/ 3918 TO 5025', 2876' @ 122.4' PH, WOB 10-18, RPM 50, MM 98, SPM 125, GPM 473, UP/DW/ROT 135-120-130, ON/OFF 1750-1550, DIFF 150-250, CIRC RESERVE PIT W/ GEL & POLY SWEEPS, SLIDES 4045-4070, 4841-4853
11/29/2009	0:00 - 12:00	12.00	DRLPRO	02	B	P	DRLG F/ 5025 TO 6164', 1139' @ 94.9' PH
	12:00 - 12:30	0.50	DRLPRO	07	A	P	SERVICE RIG
	12:30 - 0:00	11.50	DRLPRO	02	B	P	DRLG F/ 6164 TO 6987', 823' @ 71.6' PH, MW/ 9.3, VIS 30, WOB 20, RPM 50, MM 98, SPM 125, GPM 473, PU/SO/ROT 170-140-160, ON/OFF 1900-1700, DIFF 150-250, SLIDES 6750-6765
11/30/2009	0:00 - 7:00	7.00	DRLPRO	02	B	P	DRLG F/ 6987 TO 7429', 442' @ 63.1' PH
	7:00 - 7:30	0.50	DRLPRO	03	A	P	WORK TIGHT CONN @ 7429'
	7:30 - 14:00	6.50	DRLPRO	02	B	P	DRLG F/ 7429 TO 7820', 391' @ 60.2' PH
	14:00 - 14:30	0.50	DRLPRO	07	A	P	SERVICE RIG
	14:30 - 23:30	9.00	DRLPRO	02	B	P	DRLG F/ 7820 TO 8283' MD-TD, TVD 8281', 463' @ 51.4' PH, MW 11.3, VIS 50, WOB 22, RPM 50, MM 98, SPM 125, GPM 473, PU/SO/ROT 182-151-163, ON/OFF 2750-2600, DIFF 150-250
	23:30 - 0:00	0.50	DRLPRO	05	C	P	CIRC OUT GAS, RAISE MW TO 11.5
12/1/2009	0:00 - 1:30	1.50	DRLPRO	05	A	P	CIRC HOLE CLEAN, RAISE MW TO 11.5
	1:30 - 7:00	5.50	DRLPRO	06	B	P	POOH F/ LOGS, WIPED ALL TIGHT SPOTS CLEAN, PULL ROT RUBBER, L/D DIR TOOLS, MM BIT
	7:00 - 14:30	7.50	DRLPRO	11	C	P	HPJSM W/ RIG & LOGGING CREWS, R/U & RUN TRIPLE COMBO F/ 8259', CALIPER STOPPED WORKING @ 2700', POOH, R/D
	14:30 - 18:30	4.00	DRLPRO	06	A	P	P/U CONE BIT & BIT SUB, TIH, WASH & REAM 75' TO BOTTOM W/ 15' FILL
	18:30 - 20:00	1.50	DRLPRO	05	A	P	CIRC OUT GAS TO LDDS
	20:00 - 0:00	4.00	DRLPRO	06	A	P	HPJSM W/ RIG & L/D CREW, R/U & LDDP, BREAK KELLY

NBU 1022-10HT Operation Summary Report

Well: NBU 1022-10HT		Spud Conductor: 11/12/2009		Spud Date: 11/13/2009	
Project: UTAH-UINTAH		Site: NBU 293 PAD			Rig Name No: PIONEER 69/69, PROPETRO/
Event: DRILLING		Start Date: 4/21/2009			End Date: 12/2/2009
Active Datum: RKB @4,809.00ft (above Mean Sea Level)		UWI: 0/10/S/22/E/10/0/SENE/26/PM/N/1,798.00/E/0/297.00/0/0			

12/2/2009	0:00 - 1:00	1.00	DRLPRO	06	A	P	L/D BHA & PULL WEAR BUSHING
	1:00 - 8:30	7.50	DRLPRO	12	C	P	HPJSM W/ RIG & CASING CREWS, R/U & RUN 8263' 4.5" I-80 BTC PROD CASING, WASH DOWN LAST 30', R/D
	8:30 - 10:00	1.50	DRLPRO	05	A	P	CIRC & COND HOLE TO CEMENT
	10:00 - 14:00	4.00	DRLPRO	12	E	P	HPJSM W/ RIG & CEMENT CREWS, R/U & PSI TEST LINES TO 3700, PUMP 40 BBLS DYE WATER, LEAD 390 SXS 11.5 PPG 2.7 YLD, TAIL 1100 SXS 14.3 PPG 1.31 YLD, DROP PLUG & DISPLACE W/ 127.8 BBLS WATER, BUMP PLUG W/ 3050 PSI, FINAL LIFT PSI OF 2450, FLOATS HELD, FULL RETURNS THOUGH OUT JOB W/ 17 BBLS CEMENT TO PIT & 1.5 BACK TO TRUCK, WASH STACK & LAND CASING W/ 60K, R/D CEMENTERS, L/D LANDING JT
	14:00 - 18:00	4.00	DRLPRO	14	A	P	N/D & RELEASE RIG @ 18:00 12/2/09 TO THE NBU 1022-3DT

Operator Summary Report

Well: NBU 1022-10HT	Spud Conductor: 11/12/2009	Spud Date: 11/13/2009
Project: UTAH-UINTAH	Site: NBU 293 PAD	Rig Name No: LEED 733/733
Event: COMPLETION	Start Date: 12/14/2009	End Date: 12/24/2009
Active Datum: RKB @4,809.00ft (above Mean Sea Level)	UWI: 0/10/S/22/E/10/0/SENE/26/PM/N/1,798.00/E/0/297.00/0/0	

Date	Time	Interval	Rate	Comp	Depth	Case	Pressure	Notes
12/14/2009	6:45 - 7:00	0.25	COMP	48		P		JSA- ROADING RIG. RUSU.
	7:00 - 13:30	6.50	COMP	30	A	P		ROAD RIG AND EQUIP FROM BONANZA 1023-6H TO LOCATION. RUSU.
	13:30 - 17:30	4.00	COMP	31	I	P		ND WH. NU BOP. RU FLOOR AND TBG EQUIP. MU 3-7/8" MILL AND BIT SUB, RIH AS MEAS AND PU 148-JTS 2-3/8" J-55 TBG TO 4694'. POOH W/ 42 JTS TBG. 106-JTS IN, EOT AT 3363'. SDFN. WINTERIZE EQUIP.
12/15/2009	6:45 - 7:00	0.25	COMP	48		P		JSA- P-TEST, PERF
	7:00 - 15:00	8.00	COMP	31	I	P		SITP 0, SICP 0. OPEN UP WELL. FIN POOH W/ 106-JTS 2-3/8" TBG. LD BIT SUB AND MILL. RD FLOOR. ND BOP. NU FRAC VALVES. HOOK UP ACTION HOT OIL. FILL CSG W/ 8 BBLs AND PRES TO 2000#. MIRU B & C. P-TEST VALVES AND CSG TO 7000#. GOOD. MIRU CASD HOLE EWL. RIH W/ 3-1/8" EXP GUN (23 GRAM, .36 EHD, 40" PENT, 4 SPF ON 90*). PERF 7958'-63', 7875'-78', 7781'-82'. (9' NET, 36 HOLES). POOH W/ EWL. WINTERIZE WH.
12/16/2009	-			46	F			WAITING ON SUPERIOR FRAC CREW.
12/17/2009	6:45 - 7:00	0.25	COMP	48		P		JSA- FRAC AND PERF
	7:00 - 13:50	6.83	COMP	46	E	P		MIRU SUPERIOR FRAC COMPANY. HSM. P-TEST LINES TO 8000#.
	13:50 - 15:00	1.17	COMP	36	B	P		FRAC STG #1 7781'-7963' OPEN WELL W/ 1500#, BD 3114 AT 2.4 BPM. ISIP 2676, FG .77. PMP PRE-PAD (SC INHIB) AND PAD, 4135# AT 49.2 BPM, 100% OPEN. MP 5261, MR 51.2, AP 4071, AR 50. PMP 2818 BBL SLK WTR, 105,551# 30/50, TAILED IN 5000# 20/40 RESIN (TOT PROP 110,551#). ISIP 3010, NPI 334, FG .82.
	15:00 - 16:15	1.25	COMP	37	B	P		PERF STG #2 RIH W/ 4-1/2" HALCO CBP AND 3-1/8" EXP GUN (23 GRAM, .36 EHD, 40" PENT, 4 SPF ON 90*) SET CBP AT 7631'. PU AND PERF 7596'-7601', 7440'-41', 7420'-23'. POOH
	16:15 - 17:00	0.75	COMP	36	B	P		FRAC STG #2 7420'-7601' OPEN WELL W/ 2385#. BD 4428# AT 4.5 BPM, ISIP 3583, FG .91. PMP PAD 4657# AT 41, 100% OPEN. MP 5333, MR 42.3, AP 4595, AR 40. PMP 1078 BBL SLK WTR, 37,479# 30/50 AND 5000# 20/40 RESIN (TOT PROP 42,479#). ISIP 3021#, NPI -562, FG .84. (TAILED IN FLUSH W/ 15 BBL 10# BRINE)
12/18/2009	8:00 - 8:15	0.25	COMP	48	F	P		PERF STG #3 RIH W/ 4-1/2" HALCO CBP AND 3-1/8" EXP GUN (23 GRAM, .36 EHD, 40" PENT, 3 SPF ON 120* AND 4 SPF ON 90*). SET CBP AT 6998'. PU AND PERF 6964'-68' (4 SPF), 6893'-95' (4 SPF), 6780'-82' 3 SPF, 6717'-18' (3 SPF), 6679'-80' (3 SPF). POOH AND WINTERIZE EQUIP.
	8:15 - 10:15	2.00	COMP	46	F	Z		JSA- FRAC AND PERF OPEN UP WELL. HAVE SOME FROZEN LINES. CLEAR LINES. P-TEST TO 8000#.

Well: NBU 1022-10HT	Spud Conductor: 11/12/2009	Spud Date: 11/13/2009
Project: UTAH-UINTAH	Site: NBU 293 PAD	Rig Name No: LEED 733/733
Event: COMPLETION	Start Date: 12/14/2009	End Date: 12/24/2009
Active Datum: RKB @4,809.00ft (above Mean Sea Level)		UWI: 0/10/S/22/E/10/0/SENE/26/PM/N/1,798.00/E/0/297.00/0/0

Date	Time	Duration	Comp	Depth	Pressure	Temp	Notes
	10:15 - 11:15	1.00	COMP	36	B	P	FRAC STG #3 6964'-6680' OPEN WELL W/ 1590#. BD 3152# AT 4.5 BPM. ISIP 3583#, FG .75. PMP PAD. 3811# AT 41, 100% OPEN. MP 4642, MR 41.3, AP 3667, AR 40. PMP 1486 BBLs SLK WTR. 57,381# 30/50 AND 5000# 20/40 RESIN COATED (TOT PROP 62,381#). ISIP 2935, NPI 783, FG .86. PERF STG #4 RIH W/ 4-1/2" HALCO CBP AND 3-1/8" EXP GUN (23 GRAM, .36 EHD, 40" PENT, 3 SPF ON 120" AND 4 SPF ON 90"). SET CBP AT 6661'. PU AND PERF 6628'-31' (4 SPF), 6606'-08' (4 SPF), 6578'-80' (3 SPF), 6538'-40' (3 SPF), 6500'-01' (3 SPF), 6487'-88' (4 SPF). POOH FRAC STG #4 6487'-6631' OPEN WELL W/ 869#. BD 2621# AT 4.5 BPM. ISIP 2083#, FG .75. PMP PAD 4050# AT 51, 100% OPEN. MP 5190, MR 51.1, AP 3809, AR 50.2. PMP 2231 BBL SLK WTR. 90,014# 30/50 AND 5000# 20/40 RESIN COATED (TOT PROP 95,014#). ISIP 2514, NPI 431, FG .82. RIH AND SET 4-1/2" HAL CO CBP KILL PLUG AT 6437'. POOH. RDMO SUPERIOR AND CASED HOLE EQUIP. ND FRAC VALVES. NU BOP. RU FLOOR. MU 3-7/8" BIT, POBS, AND 1.87" XN ON 2-3/8" J-55 TBG AND RIH W/ 148 JTS. SDFN AND WITNERIZE EQUIP. JSA- PU TBG. PWR SWIVEL. D/O PLUGS. CONT RIH AS MEAS AND PU 52-JTS. TAG SAND AT 6422' W/ 202-JTS IN. PU PWR SWIVEL. EST CIRC. D/O PLUGS. #1- C/O 12' SAND TO CBP AT 6434'. D/O IN 12-MIN. 50# INC. RIH. #2- C/O 31' SAND TO CBP AT 6661'. D/O IN 15-MIN. 100# INC. RIH. #3- C/O 31' SAND TO CBP AT 6998'. D/O IN 10-MIN. 100# INC. RIH. #4- C/O 30' SAND TO CBP AT 7631'. D/O IN 8-MIN. 100# INC. RIH. PBSD. C/O 120' SAND TO PBSD AT 8218' (255' RATHOLE) W/ 259-JTS IN. CIRC CLEAN. RD PWR SWIVEL. POOH AS LD 27-JTS TBG. PU 7" 5K HANGER AND LUB IN. FLUSH BOWL. LAND 232-JTS 2-3/8" J-55 TBG W/ EOT AT 7378.29'. RD FLOOR. DROP BALL. ND BOP. NU WH. HOOK UP LINES. RELEASE POBS AT 1800#. TURN WELL OVER TO FLOW BACK CREW. RDSU AND ROAD TOWARDS 29M PAD. TBG DETAIL KB 18.00 7" 5K CAMERON HNGR 1.00 232-JTS 2-3/8" J-55 7357.09 1.87" XN (FE) 2.20 EOT 7378.29 DELIVERED 283-JTS RETURNED 51-JTS PMP 7613 BBLs RCVR 1890 BBLs LTR 5723 BBLs
	11:15 - 12:15	1.00	COMP	37	B	P	
	12:15 - 13:40	1.42	COMP	36	B	P	
	13:40 - 14:15	0.58	COMP	34	I	P	
	14:15 - 15:30	1.25	COMP	46	E	P	
	15:30 - 18:00	2.50	COMP	31	I	P	
12/19/2009	6:45 - 7:00	0.25	COMP	48		P	
	7:00 - 18:30	11.50	COMP	44	C	P	

Well: NBU 1022-10HT		Spud Conductor: 11/12/2009		Spud Date: 11/13/2009	
Project: UTAH-UINTAH		Site: NBU 293 PAD			Rig Name No: LEED 733/733
Event: COMPLETION		Start Date: 12/14/2009			End Date: 12/24/2009
Active Datum: RKB @4,809.00ft (above Mean Sea Level)		UWI: 0/10/S/22/E/10/0/SENE/26/PM/N/1,798.00/E/0/297.00/0/0			
12/20/2009	7:00	-	33	A	7 AM FLBK REPORT: CP 2300#, TP 1650#, 20/64" CK, 49 BWPH, TRACE SAND, LIGHT GAS TTL BBLS RECOVERED: 2642 BBLS LEFT TO RECOVER: 4971
12/21/2009	7:00	-	33	A	7 AM FLBK REPORT: CP 2525#, TP 1725#, 20/64" CK, 31 BWPH, TRACE SAND, LIGHT GAS TTL BBLS RECOVERED: 3586 BBLS LEFT TO RECOVER: 4027
12/22/2009	7:00	-	33	A	7 AM FLBK REPORT: CP 2250#, TP 1550#, 20/64" CK, 27 BWPH, TRACE SAND, MEDIUM GAS TTL BBLS RECOVERED: 4288 BBLS LEFT TO RECOVER: 3325
12/23/2009	7:00	-	33	A	7 AM FLBK REPORT: CP 2025#, TP 1325#, 20/64" CK, 18 BWPH, TRACE SAND, MEDIUM GAS TTL BBLS RECOVERED: 4789 BBLS LEFT TO RECOVER: 2824
12/24/2009	7:00	-	33	A	7 AM FLBK REPORT: CP 1925#, TP 1275#, 20/64" CK, 18 BWPH, TRACE SAND, MEDIUM GAS TTL BBLS RECOVERED: 4951 BBLS LEFT TO RECOVER: 2662
1/4/2010	15:00	-	PROD	50	WELL TURNED TO SALE @ 1500 HR ON 01/04/2010 - FTP 2275#, CP 3110#, 2.9 MCFD, 40 BWPD, 46/64 CK

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9			
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-025187			
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:			
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES			
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		8. WELL NAME and NUMBER: NBU 1022-10HT			
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1798 FNL 0297 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENE Section: 10 Township: 10.0S Range: 22.0E Meridian: S		9. API NUMBER: 43047401950000			
PHONE NUMBER: 720 929-6515 Ext		9. FIELD and POOL or WILDCAT: NATURAL BUTTES			
COUNTY: UINTAH		STATE: UTAH			
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA					
TYPE OF SUBMISSION	TYPE OF ACTION				
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 3/8/2011 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER </td> <td style="width: 33%; vertical-align: top;"> <input checked="" type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/> </td> </tr> </table>		<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input checked="" type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>
<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input checked="" type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>			
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. The operator request approval to conduct wellhead/casing repair operations on the subject well location. Please find the attached procedures for the proposed repair work for the subject well location.					
Accepted by the Utah Division of Oil, Gas and Mining Date: 03/09/2011 By:					
NAME (PLEASE PRINT) Gina Becker		PHONE NUMBER 720 929-6086			
SIGNATURE N/A		TITLE Regulatory Analyst II			
DATE 3/8/2011					

WORKORDER #: 88120971

3/2/11

Name: NBU 1022-10HT - Single Well

Surface Location: SENE SEC.10, T10S, R22E
Uintah County, UT

API: 4304740195 **LEASE#:** UTU 025187

ELEVATIONS: 4791' GL 4809' KB

TOTAL DEPTH: 8283' **PBTD:** 8218'

SURFACE CASING: 9 5/8", 36# J-55 @ 1652'

PRODUCTION CASING: 4 1/2", 11.6#, I-80 @ 8263'
TOC @ Surface per CBL

PERFORATIONS: Mesaverde 6487' - 7963'

Tubular/Borehole	Drift inches	Collapse psi	Burst psi	Capacities		
				Gal./ft.	Cuft/ft.	Bbl./ft.
2.375" 4.7# J-55 tbg.	1.901	8100	7700	0.1624	0.02173	0.00387
4.5" 11.6# I-80	3.875	6350	7780	0.6528	0.0872	0.01554
9.625" 36# J-55	8.921	2020	3520	3.247	0.434	0.0773
Annular Capacities						
2.375" tbg. X 4 1/2" 11.6# csg				0.4227	0.0565	0.01006

GEOLOGICAL MARKERS, TOPS:

706' Green River
1383' Mahogany
3872' Wasatch
6140' Mesaverde

NBU 1022-10HT – WELLHEAD REPLACEMENT PROCEDURE

PREP-WORK PRIOR TO MIRU:

1. Dig out down to the 2" surface casing valve or to the valve on the riser off the surface casing.
2. Install a tee with 2 valves, with a pressure gauge and sensor on one valve.
3. Open casing valve and record pressures.
4. Install nipple and steel hose on the other valve, the relief valve,. Do not use hammer unions. No impact equipment or tools to be used for any of this installation. Extend hose and hard piping to a downwind location at least 100' from the wellhead. Consider installing a manifold so that vent area could be in two locations approx. 90 degrees apart from the wellhead.
5. Open the relief valve and blow well down to the atmosphere.
6. Make a determination of amount of gas flow, either by installation of a choke nipple, bucket test or other.
7. Shut well in. Observe for rate of build-up by utilizing sensor data. Do not build-up for more than 24 hours. Vent gas through the vent line and leave open to the atmosphere.

WORKOVER PROCEDURE:

1. MIRU workover rig.
2. Kill well with 10# brine / KCL (dictated by well pressure).
3. Remove tree, install double BOP with blind and 2 3/8" pipe rams, with accumulator closing unit and manual back-ups. Function test BOP system.
4. POOH w/ tubing laying down extra tubing.
5. Rig up wireline service. RIH and set CBP @ ~6437'. Dump bail 4 sx cement on top of plug. POOH and RD wireline service. TIH w/ tubing and seating nipple. Land tubing ±60' above cement. RDMO.
6. Monitor well pressures. If surface casing is dead. MIRU. ND WH and NU BOP. POOH w/ tubing.
7. Depending on conditions at wellsite, continue with either CUT/PATCH Procedure or BACK-OFF Procedure.

CUT/PATCH PROCEDURE:

1. PU internal casing cutters and RIH. Cut casing at +/- 30' from surface.
2. POOH, LD cutters and casing.
3. PU 7 3/8" overshoot with 4 1/2" right hand standard wicker grapple, 1 - 4 3/4" drill collar with 3 1/2" IF threads, pup joint, manual bumper sub, and crossovers. If casing cut is deeper than ±30' utilize >7000 ft-lb torque pipe as needed. Pull a minimum of 10,000# to keep grapple engaged if cement top is high (<~900'). If cement top is low (>~900'), more weight will be required to put casing in neutral. Torque casing string to ±7000 ft-lbs, count number of turns to make-up, and document in the daily report. Ensure that tongs are safely anchored to rig and that all personnel are at a safe working distance from the tongs during torque-up and torque release. After initial make-up, place pipe torque to neutral and mark pipe. Place ±7000 ft-lbs on casing a second time, count turns, then return pipe torque to neutral and count turns. Repeat if torque-up turns do not equal torque release turns. Once torque-in equals torque-out, release overshoot, POOH, and lay down.
4. TIH w/ skirted mill and dress off the fish top for approximately 1/2 hour. TOO H.
5. PU & RIH w/ 4 1/2" 10k external casing patch on 4 1/2" P-110 casing. Ensure that sliding sleeve assembly shifts ±3' and casing tags no-go portion of patch. NOTE: Shear pins will shear at 3500 to 4500 lbs.
6. Latch fish, PU to 100,000# tension. RU B&C. Cycle pressure test to 7,000# / 9,000# psi.
7. Install slips. Land casing w/ 80,000# tension.
8. Cut-off and dress 4 1/2" casing stub.
9. NUWH. PU 3 7/8" bit, POBS and RIH. D/O cement and plug ~6387'. Clean out to PBTD (8218').
10. POOH, land tbg and pump off POBS.
11. NUWH, RDMO. Turn well over to production ops.

BACK-OFF PROCEDURE:

1. PU internal casing cutters and RIH. Cut casing at +/- 6' from surface.
2. POOH, LD cutters and casing.
3. PU 4 1/2" overshoot. RIH, latch fish. Pick string weight to neutral.
4. MIRU casing crew and wireline services. RIH and shoot string shot at casing collar @ ± 46'.
5. Back-off casing, POOH.

6. PU new casing joint with buttress threads and entry guide and RIH. Tag casing top. Thread into casing and torque up to ± 7000 ft-lbs, count number of additional turns to make-up, and document in the daily report. Ensure that tongs are safely anchored to rig and that all personnel are at a safe working distance from the tongs during torque-up and torque release. After initial make-up, place pipe torque to neutral and mark pipe. Place ± 7000 ft-lbs on casing a second time, count turns, then return pipe torque to neutral and count turns. Repeat if torque-up turns do not equal torque release turns. Once torque-in equals torque-out go to step 7.
7. PU 100,000# tension string weight. RU B&C. Cycle pressure test to 7,000# / 9,000# psi.
8. Install slips. Land casing w/ 80,000# tension.
9. Cut-off and dress 4 1/2" casing stub.
10. NUWH. PU 3 7/8" bit, POBS and RIH. D/O cement and plug ~6387'. Clean out to PBTD (8218').
11. POOH, land tbg and pump off POBS.
12. NUWH, RDMO. Turn well over to production ops.



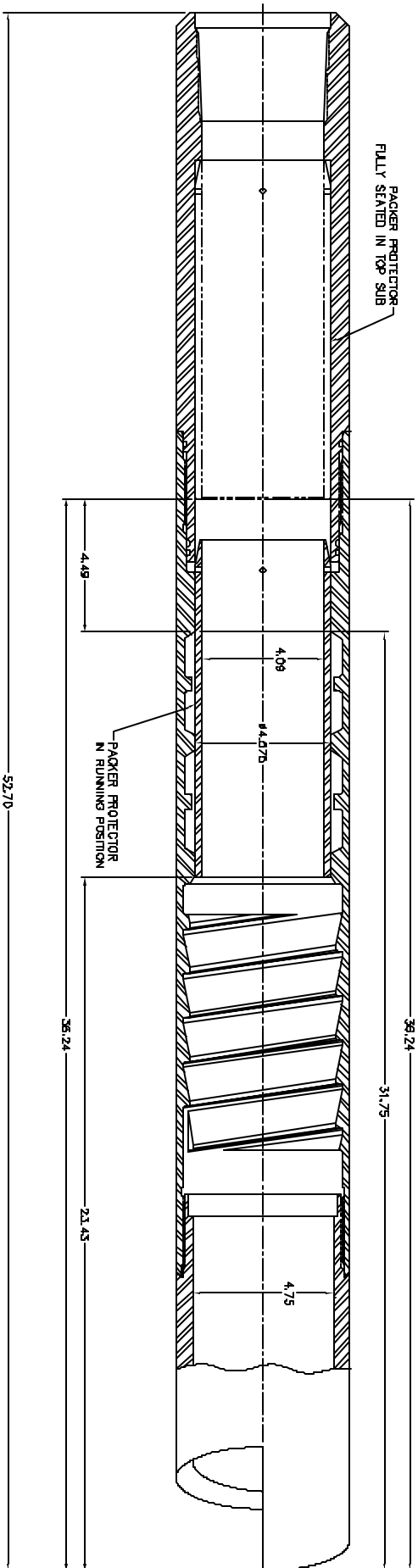
Logan High Pressure Casing Patches Assembly Procedure

All parts should be thoroughly greased before being assembled.

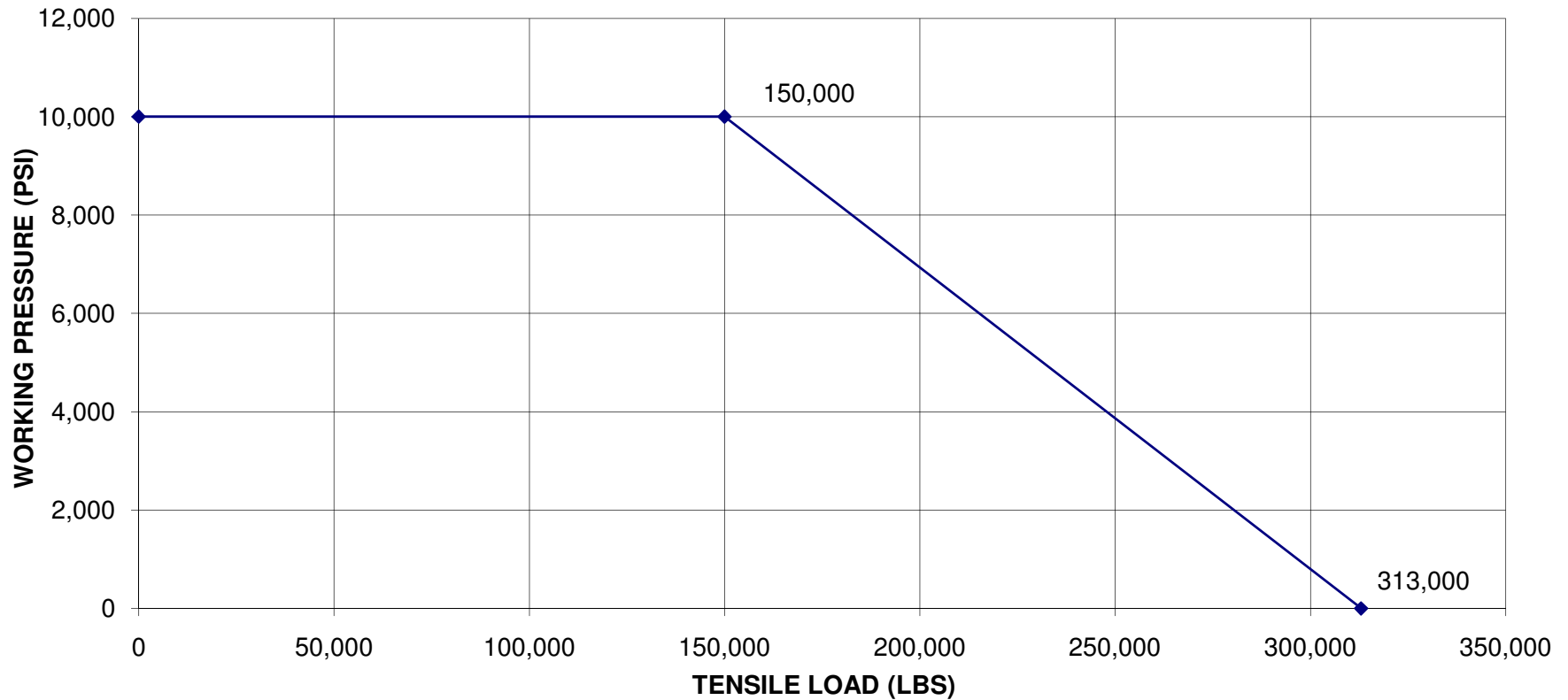
1. Install all four Logan Type "L" Packers in the spaces provided in the Casing Patch Bowl. Refer to diagram provided for proper installation.
2. Install Packer Protector from the Basket Grapple end of the Bowl. The beveled end of the Packer Protector goes in first. Carefully push the Packer Protector through the four Type "L" Packers.
3. Align Shear Pin Holes in Packer Protector so that the holes have just passed into the counter bore at the Top Sub end, refer to diagram. The Packer Protector is provided with four Shear Pin Holes. Use only two holes, 180 degrees apart and install the pins.
4. Screw the Basket Grapple in from the lower end of the Bowl, using left-hand rotation. The Tang Slot in the Basket Grapple must land in line with the slot in the Bowl.
5. Insert the Basket Grapple Control into the end of the Bowl. Align Tang on the Basket Grapple Control with the Tang Slot of the Bowl and Basket Grapple. This secures the Bowl and the Basket Grapple together.
6. Install the Cutlipped Guide into the lower end of the Bowl.
7. Install O-Rings on the two five-foot long Extensions. Screw the first Extension into the top end of the Bowl. Screw the second Extension into the top end of the first Extension.
8. Install O-Ring on Top Sub. Screw Top Sub into top end of second Extension.

Follow recommended Make-Up Torque as provided in chart.

510L-005-001 4-1/2" LOGAN HP CASING PATCH



**STRENGTH DATA FOR LOGAN 5.88" OD "L" TYPE CSG PATCH
4-1/2 CASING, 10K PSI MAX WP 125K YIELD MAT'L
LOGAN ASSEMBLY NO. 510L-005 -000**



COLLAPSE PRESSURE:
11,222 PSI @ 0 TENSILE
8,634 PSI @ 220K TENSILE

Tensile Strength @ Yield:
Tensile Strength w/ 0 Int. Press.= 472,791lbs.
Tensile Strength w/ 10K Int. Press.= 313,748lbs.

DATA BY SLS 11/16/2009